

*(Convenience Translation of the Independent Auditor's Review Report  
Originally Prepared and Issued in Turkish See Note 3.1.3)*

## **DENİZBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT, CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS AND NOTES FOR THE SIX MONTH  
PERIOD ENDED 30 JUNE 2014**

- I. Independent Auditor's Review Report
- II. Publicly Disclosed Consolidated Financial Report

Convenience Translation of the Independent Auditor's Review Report  
Originally Issued in Turkish, See Note I. Three of Section Three

Denizbank A.Ş.  
To the Board of Directors  
İstanbul

**DENİZBANK ANONİM ŞİRKETİ  
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE PERIOD 1 JANUARY-30 JUNE 2014**

We have reviewed the consolidated balance sheet of Denizbank A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at 30 June 2014 and the related consolidated statement of income, consolidated statement of recognized profits and losses accounted for under equity, consolidated statement of cash flows, and consolidated statement of changes in shareholders' equity for the period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent principles set out as per the Banking Act No.5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Group's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Denizbank A.Ş. and its consolidated subsidiaries at 30 June 2014 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 and 38 of Banking Law No. 5411 and other regulations, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

**Additional paragraph for convenience translation to English:**

As explained in detail in Note I.3 of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A Member Firm of **ERNST&YOUNG GLOBAL LIMITED**

Fatma Ebru Yücel  
SMMM, Partner

İstanbul, 7 August 2014

**DENİZBANK A.Ş. FOR THE SIX MONTHS PERIOD**  
**CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 JUNE 2014**

Address of the Bank's Headquarters

Büyükdere Caddesi No:106  
34394 -ESENTEPE/İSTANBUL

Telephone and Fax Numbers

Tel: 0.212.355 08 00  
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Website of the Bank

www.denizbank.com

E-mail address of the Bank

investorrelations@denizbank.com

The consolidated financial report package prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- DISCLOSURES ON ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REVIEW REPORT

The subsidiaries, associates and jointly controlled companies included in the consolidated financial report are:

	Subsidiaries	Associates	Jointly Controlled Companies
1	Denizbank AG, Vienna		
2	Eurodeniz International Banking Unit Ltd.		
3	Ekspres Menkul Değerler A.Ş.		
4	Deniz Yatırım Menkul Kıymetler A.Ş.		
5	CJSC Denizbank, Moscow		
6	Deniz Portföy Yönetimi A.Ş.		
7	Deniz Finansal Kiralama A.Ş.		
8	Deniz Faktoring A.Ş.		
9	Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.		
10	Destek Varlık Yönetim A.Ş.		

The "Special Purpose Entity", DFS Funding Corp., which is not a subsidiary of the Bank but over which the Bank has 100% controlling power, has been included in consolidation.

The consolidated financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **Thousands of Turkish Lira**.

7 August 2014

**HAKAN ELVERDİ**

Senior Vice President  
International and Regulatory  
Financial Reporting

**SUAVİ DEMİRCİOĞLU**

Executive Vice President  
Financial Affairs

**HAKAN ATEŞ**

Member of Board of Directors  
and President and Chief  
Executive Officer

**NİHAT SEVİNÇ**

Member of Board of Directors  
and Audit Committee

**WOUTER G.M. VAN ROSTE**

Member of Board of Directors  
and Audit Committee

**DENIS BUGROV**

Member of Board of Directors  
and Audit Committee

**HERMAN GREF**

Chairman of Board of  
Directors

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## **SECTION ONE**

### **GENERAL INFORMATION**

#### **I. Parent Bank's date of establishment, beginning statute, its history including changes in its statute**

Denizbank A.Ş. ("the Bank") was established as a public bank to provide financing services to the marine sector in 1938. In 1992, as a result of the resolution of the Government to merge some public banks, the Bank was merged to Emlakbank. Following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997 upon obtaining a permission to operate. Bank's shares have been quoted on Borsa Istanbul ("BIST") since 1 October 2004. 0,15% of the Bank's shares are publicly held as of 30 June 2014.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006, subsequent to the transfer of shares, Dexia Participation Belgique's ownership rate increased to 99,85%.

On 8 June 2012 Dexia Group and Sberbank of Russia ("Sberbank") have signed a sale and purchase agreement regarding the acquisition of 715.010.291,335 Parent Bank shares representing 99,85% of the Bank's capital. The transaction covers the Parent Bank as well as all of its subsidiaries in Turkey, Austria and Russia. Following all the necessary regulatory authorizations in the countries in which seller and buyer operate including that of the European Commission, after the approvals of Competition Authority on 9 August 2012, the Banking Regulation and Supervision Agency on 12 September 2012 and the Capital Markets Board on 24 September 2012, Dexia has transferred 99,85% of shares of the Parent Bank to Sberbank with a total consideration of TL 6.469.140.728 (Euro 2.790 million) which is the Preliminary Purchase Price determined as per the sale and purchase agreement as of 28 September 2012. Following the completion of the adjustment process of the Preliminary Purchase Price to Purchase Price in accordance with the terms in the Share Purchase Agreement, an additional amount of Euro 185 Million which is equivalent of TL 430.947.685 was paid on 27 December 2012. Ultimately the process was completed with a total Purchase Price of TL 6.900.088.413 (Euro 2.975 million).

#### **II. Capital structure, shareholders controlling the management and supervision of the Parent Bank directly or indirectly, and if exists, changes on these issues and the Group that the Parent Bank belongs to**

##### Current Period

Name of the Shareholder	Amount (Full TL)	Share (%)
Sberbank of Russia	715.044.303	99,85
Publicly traded	1.055.663	0,15
Others shareholders	34	-
<b>Total</b>	<b>716.100.000</b>	<b>100,00</b>

##### Prior Period

Name of the Shareholder	Amount (Full TL)	Share (%)
Sberbank of Russia	715.044.303	99,85
Publicly traded	1.055.663	0,15
Others shareholders	34	-
<b>Total</b>	<b>716.100.000</b>	<b>100,00</b>

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2014**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.3*

**III. Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistants and shares of the Parent Bank they possess and their areas of responsibility**

Name	Title	Shares owned (%)
<b>President of the Board of Directors</b>		
Herman Gref	Chairman	--
<b>Board of Directors</b>		
Deniz Ülke Ariböğän	Deputy Chairman	--
Hakan Ateş	Member, President and CEO	0,000002
Alexander Vedyakhin	Member	--
Nihat Sevinç	Member	--
Wouter G.M. Van Roste	Member	--
Timur Kozintsev	Member	--
Sergey Gorkov	Member	--
Vadim Kulik	Member	--
Denis Bugrov	Member	--
Derya Kumru	Member	--
Igor Kondrashov	Member	--
Alexander Morozov	Member	--
Artem Dovlatov	Member	--
<b>Audit Committee</b>		
Wouter G.M. Van Roste	Member	--
Denis Bugrov	Member	--
Nihat Sevinç	Member	--
<b>Executive Vice Presidents</b>		
Bora Böcügöz	Treasury, Financial Institutions, Private Banking	--
Suavi Demircioğlu	Financial Affairs	--
Dilek Duman	Information Technologies and Support Operations	--
Tanju Kaya	Central Operations and Foreign Subsidiaries	--
Gökhan Sun	SME and Agricultural Banking	--
Mustafa Özel	Branch and Central Operations	--
İbrahim Şen	Credit Follow-up and Risk Monitoring	--
Mehmet Aydoğdu	Commercial Banking and Public Finance	--
Mustafa Saruhan Özel	Economic Research, Strategy and Project Management	--
Cem Demirağ	Head of Internal Control Unit and Compliance	--
Ali Murat Dizdar	Chief Legal Advisor	--
Ayşenur Hıçkırın	Card Payment Systems and Non-Branch Sales Channels	--
Murat Çelik	Digital Generation Banking	--
Hayri Cansever	Corporate Banking	--
Selim Efe Teoman	Corporate and Commercial Loans	--
Ramazan Işık	Head of Inspection Board	--
Kürşad Taçalan	General Secretary	--
Ruslan Abil	Group Reporting and Asset/Liability Management	--
Önder Özcan	Managerial Reporting and Budget Planning	--
Necip Yavuz Elkin	Human Resources and Deniz Academy	--
Burak Koçak	SME Banking	--
Oğuzhan Özark	Retail Banking Affluent Banking Sales Management	--
Cemil Cem Önenç	Private Banking	--
Sinan Yılmaz	Risk Management Group leader	--
Hakan Turan Pala	Corporate and Commercial Loans Analysis	--
Fatma Ayperi Karahan	Individual SME and Agricultural Banking Loans	--



**IV. Explanations regarding the real person and corporate qualified shareholders at the Parent Bank**

Commercial Title	Share Amounts	Share Percentages	Paid-in Capital	Unpaid Capital
Sberbank of Russia	715.044	99,85%	715.044	--

Sberbank of Russia is the controlling party of the Parent Bank's capital having both direct and indirect qualified shares.

As of 30 June 2014 the capital structure of Sberbank of Russia is as follows:

Shareholders	Share Percentages
Central Bank of Russia	50,00%
Publicly traded	50,00%
<b>Total</b>	<b>100,00%</b>

Central Bank of Russia has 50% share and 1 voting right share.

**V. Type of services provided and the areas of operations of the Parent Bank**

The Parent Bank is a private sector deposit bank which provides banking services to its customers through 708 domestic and 1 foreign branch as of 30 June 2014.

Activities of the Parent Bank as stated in the 4th clause of the Articles of Association are as follows:

- Accepting all kinds of deposits and performing banking activities.
- Dealing with transactions on all kinds of capital market instruments within the limits set by the related regulations and Capital Market Law regulations.
- Entering into loan and intelligence agreements with domestic and international financial institutions. Participating in consortiums and syndications.
- Lending all kinds of Turkish Lira and foreign currency short, medium and long term loans, and providing guarantee facilities.
- Incorporating insurance companies, operating insurance agencies, participating in insurance companies which are existing or planned to be founded.
- Using the funds to be allocated or provided by laws, regulations or agreements for its own objectives.
- Making all kinds of agreements and legal transactions related with its operations; signing written contracts, notes and miscellaneous documents and establishing correspondences.
- Purchasing, producing, constructing, leasing or acquiring by other means all kinds of movables, immovables and rights, selling, transferring or renting all or a part of such items. Establishing or releasing all kinds of rights in such items.
- Giving all kinds of loans and obtaining borrowings as necessary for performing its activities.
- Receiving, transferring or releasing all kinds of cash or non-cash guarantees, including sureties, collaterals, mortgages, pledges, etc., relating to its operations.
- Establishing domestic and/or foreign entities and participating in existing entities.
- Performing all kinds of operations in compliance with the prevailing banking regulations.

**VI. A short explanation on the differences between the communiqué on consolidated financial statement reporting and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none.**

Banks are obligated to prepare consolidated financial statements for credit institutions and financial subsidiaries for creating legal restrictions on a consolidated basis based on the “Communiqué on Preparation of Consolidated Financial Statements of Banks” by applying Turkish Accounting Standards. There is not any difference between the related Communiqué and the consolidation operations based on Turkish Accounting Standards except the scope of non-financial associate and subsidiary. Information in regards to consolidated subsidiaries and consolidation methods are given in Section 3 Note III.

**VII. Existing or potential, actual or legal obstacles to immediate transfer of capital between Parent Bank and its subsidiaries and repayment of debts.**

None.

## SECTION TWO

### CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheets
- II. Consolidated Statements of Off-Balance Sheet Items
- III. Consolidated Statements of Income
- IV. Consolidated Statements of Recognized Profits and Losses  
Accounted for Under Equity
- V. Consolidated Statements of Changes in Shareholders' Equity
- VI. Consolidated Statements of Cash Flows

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS**  
**(STATEMENTS OF FINANCIAL POSITION)**  
**AS OF 30 JUNE 2014 AND 31 DECEMBER 2013**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.3*

ASSETS	Footnotes	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(5.I.1)	880.974	7.702.822	8.583.796	1.270.924	7.544.120	8.815.044
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	(5.I.2)	235.002	625.952	860.954	255.463	879.197	1.134.660
2.1 Financial Assets Held For Trading		235.002	625.952	860.954	255.463	879.197	1.134.660
2.1.1 Public Sector Debt Securities		60.461	5.886	66.347	13.233	5.777	19.010
2.1.2 Share Certificates		34.353	275	34.628	32.698	263	32.961
2.1.3 Positive Value of Trading Purpose Derivatives		139.769	619.791	759.560	154.962	873.157	1.028.119
2.1.4 Other Securities		419	-	419	54.570	-	54.570
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
<b>III. BANKS</b>	(5.I.3)	219.267	3.171.520	3.390.787	223.090	2.353.883	2.576.973
<b>IV. DUE FROM MONEY MARKETS</b>		575.342	-	575.342	1.290.942	-	1.290.942
4.1 Interbank Money Market		5.183	-	5.183	437	-	437
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		570.159	-	570.159	1.290.505	-	1.290.505
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(5.I.4)	4.351.756	1.825.858	6.177.614	3.610.873	1.312.077	4.922.950
5.1 Share Certificates		4.089	15	4.104	4.089	15	4.104
5.2 Public Sector Debt Securities		4.336.893	1.530.556	5.867.449	3.603.473	1.046.861	4.650.334
5.3 Other Securities		10.774	295.287	306.061	3.311	265.201	268.512
<b>VI. LOANS AND RECEIVABLES</b>	(5.I.5)	34.881.772	21.898.222	56.779.994	32.192.348	20.584.435	52.776.783
6.1 Loans and Receivables		34.351.598	21.894.937	56.246.535	31.764.709	20.573.592	52.338.301
6.1.1 Loans Utilized to the Bank's Risk Group		673	-	673	24.524	-	24.524
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		34.350.925	21.894.937	56.245.862	31.740.185	20.573.592	52.313.777
6.2 Loans under Follow-Up		1.942.172	15.073	1.957.245	1.580.049	30.044	1.610.093
6.3 Specific Provisions (-)		1.411.998	11.788	1.423.786	1.152.410	19.201	1.171.611
<b>VII. FACTORING RECEIVABLES</b>		1.576.558	88.861	1.665.419	1.564.755	341.374	1.906.129
<b>VIII. INVESTMENT HELD TO MATURITY (Net)</b>	(5.I.6)	2.663.070	409.901	3.072.971	2.159.096	412.366	2.571.462
8.1 Public Sector Debt Securities		2.663.070	359.615	3.022.685	2.159.096	362.298	2.521.394
8.2 Other Securities		-	50.286	50.286	-	50.068	50.068
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(5.I.7)	10.093	-	10.093	10.078	-	10.078
9.1 Associates accounted for Under Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		10.093	-	10.093	10.078	-	10.078
9.2.1 Financial Associates		1.454	-	1.454	1.439	-	1.439
9.2.2 Non-Financial Associates		8.639	-	8.639	8.639	-	8.639
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(5.I.8)	5.649	29	5.678	5.649	29	5.678
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		5.649	29	5.678	5.649	29	5.678
<b>XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)</b>	(5.I.9)	2.800	-	2.800	2.800	-	2.800
11.1 Joint Ventures accounted for Under Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		2.800	-	2.800	2.800	-	2.800
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		2.800	-	2.800	2.800	-	2.800
<b>XII. LEASE RECEIVABLES (Net)</b>	(5.I.10)	650.166	1.228.122	1.878.288	592.099	1.191.357	1.783.456
12.1 Financial Lease Receivables		828.579	1.405.831	2.234.410	750.422	1.358.437	2.108.859
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		178.413	177.709	356.122	158.323	167.080	325.403
<b>XIII. HEDGING PURPOSE DERIVATIVES</b>	(5.I.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		396.922	16.731	413.653	395.687	13.767	409.454
<b>XV. INTANGIBLE ASSETS (Net)</b>		141.424	4.996	146.420	157.449	5.614	163.063
15.1 Goodwill		869	-	869	869	-	869
15.2 Others		140.555	4.996	145.551	156.580	5.614	162.194
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	(5.I.12)	126.857	-	126.857	119.573	-	119.573
<b>XVII. TAX ASSETS</b>	(5.I.13)	110.828	814	111.642	155.595	8.758	164.353
17.1 Current Tax Assets		4.593	814	5.407	33.299	3.349	36.648
17.2 Deferred Tax Assets		106.235	-	106.235	122.296	5.409	127.705
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.I.14)	-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(5.I.15)	954.428	727.771	1.682.199	760.365	254.029	1.014.394
<b>TOTAL ASSETS</b>		47.782.908	37.701.599	85.484.507	44.766.786	34.901.006	79.667.792

The accompanying notes are an integral part of these consolidated financial statements.

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS**  
**(STATEMENTS OF FINANCIAL POSITION)**  
**AS OF 30 JUNE 2014 AND 31 DECEMBER 2013**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.3*

LIABILITIES AND EQUITY	Footnotes	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.11.1)	21.891.469	33.823.678	55.715.147	21.952.972	30.503.558	52.456.530
1.1 Deposits of the Bank's Risk Group		14.839	1.049.546	1.064.385	20.905	668.791	689.696
1.2 Others		21.876.630	32.774.132	54.650.762	21.932.067	29.834.767	51.766.834
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.11.2)	185.532	260.059	445.591	263.073	191.753	454.826
<b>III. FUNDS BORROWED</b>	(5.11.3)	2.383.492	9.357.507	11.740.999	2.408.670	8.576.156	10.984.826
<b>IV. DUE TO MONEY MARKETS</b>		366.899	131.965	498.864	697.467	63.838	761.305
4.1 Interbank Money Market		-	-	-	51	-	51
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Repurchase Agreements		366.899	131.965	498.864	697.416	63.838	761.254
<b>V. SECURITIES ISSUED (Net)</b>	(5.11.4)	2.147.820	-	2.147.820	1.620.133	-	1.620.133
5.1 Bills		1.356.827	-	1.356.827	857.025	-	857.025
5.2 Asset Backed Securities		567.575	-	567.575	567.759	-	567.759
5.3 Bonds		223.418	-	223.418	195.349	-	195.349
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrowers Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>		946.796	378.218	1.325.014	990.325	512.336	1.502.661
<b>VIII. OTHER EXTERNAL RESOURCES</b>	(5.11.5)	1.185.476	1.219.436	2.404.912	795.970	1.504.884	2.300.854
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(5.11.6)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses ( - )		-	-	-	-	-	-
<b>XI. HEDGING PURPOSE DERIVATIVES</b>	(5.11.7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(5.11.8)	954.750	26.174	980.924	951.895	50.801	1.002.696
12.1 General Provisions		709.788	-	709.788	700.374	-	700.374
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		98.369	3.478	101.847	85.178	3.067	88.245
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		146.593	22.696	169.289	166.343	47.734	214.077
<b>XIII. TAX LIABILITIES</b>	(5.11.9)	185.722	15.446	201.168	125.737	16.045	141.782
13.1 Current Tax Liability		182.339	7.860	190.199	123.827	14.964	138.791
13.2 Deferred Tax Liability		3.383	7.586	10.969	1.910	1.081	2.991
<b>LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE AND</b>		-	-	-	-	-	-
<b>XIV. DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	3.314.301	3.314.301	-	2.353.810	2.353.810
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.11.10)	5.375.866	1.333.901	6.709.767	5.303.837	784.532	6.088.369
16.1 Paid-In Capital		716.100	-	716.100	716.100	-	716.100
16.2 Supplementary Capital		(24.226)	(2.695)	(26.921)	(137.164)	(43.862)	(181.026)
16.2.1 Share Premium		98.411	-	98.411	98.411	-	98.411
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Securities Revaluation Reserve		(218.040)	(2.784)	(220.824)	(306.897)	(43.618)	(350.515)
16.2.4 Revaluation Fund on Tangible Assets	(5.11.12)	306.054	-	306.054	306.054	-	306.054
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures		11	-	11	11	-	11
16.2.8 Hedging Funds (Effective Portion)		(399.826)	89	(399.737)	(423.907)	(244)	(424.151)
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Supplementary Capital		189.164	-	189.164	189.164	-	189.164
16.3 Profit Reserves		3.951.473	384.992	4.336.465	3.498.827	417.004	3.915.831
16.3.1 Legal Reserves		144.542	5.019	149.561	144.542	5.019	149.561
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		3.791.149	11.173	3.802.322	3.336.994	11.173	3.348.167
16.3.4 Other Profit Reserves		15.782	368.800	384.582	17.291	400.812	418.103
16.4 Profit or Loss		726.572	951.604	1.678.176	1.188.782	411.390	1.600.172
16.4.1 Prior Periods' Profits / Losses		600.474	572.540	1.173.014	301.139	287.803	588.942
16.4.2 Current Period Profit / Loss		126.098	379.064	505.162	887.643	123.587	1.011.230
16.5 Minority Shares	(5.11.11)	5.947	-	5.947	37.292	-	37.292
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>35.623.822</b>	<b>49.860.685</b>	<b>85.484.507</b>	<b>35.110.079</b>	<b>44.557.713</b>	<b>79.667.792</b>

The accompanying notes are an integral part of these consolidated financial statements.

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF OFF-BALANCE SHEET ITEMS**  
**AS OF 30 JUNE 2014 AND 31 DECEMBER 2013**  
(Currency: Thousands of TL- Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.I.3*

	Footnotes	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>50.951.207</b>	<b>73.018.702</b>	<b>123.969.909</b>	<b>39.511.070</b>	<b>61.697.941</b>	<b>101.209.011</b>
<b>I. GUARANTEES</b>	(5.III.1)	<b>7.124.859</b>	<b>12.070.051</b>	<b>19.194.910</b>	<b>6.596.343</b>	<b>11.819.173</b>	<b>18.415.516</b>
1.1. Letters of Guarantee		7.102.707	7.593.546	14.696.253	6.585.003	7.281.121	13.866.124
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		79.122	130.356	209.478	79.122	170.493	249.615
1.1.3. Other Letters of Guarantee		7.023.585	7.463.190	14.486.775	6.505.881	7.110.628	13.616.509
1.2. Bank Acceptances		6.870	138.830	145.700	1.566	137.916	139.482
1.2.1. Import Letter of Acceptance		6.870	138.830	145.700	1.566	133.529	135.095
1.2.2. Other Bank Acceptances		-	-	-	-	4.387	4.387
1.3. Letters of Credit		2.415	2.868.991	2.871.406	3.148	2.692.992	2.696.140
1.3.1. Documentary Letters of Credit		2.415	2.402.872	2.405.287	3.055	2.285.477	2.288.532
1.3.2. Other Letters of Credit		-	466.119	466.119	93	407.515	407.608
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		12.867	1.468.684	1.481.551	6.626	1.707.144	1.713.770
1.9. Other Sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(5.III.1)	<b>20.623.724</b>	<b>4.591.549</b>	<b>25.215.273</b>	<b>15.713.821</b>	<b>3.588.438</b>	<b>19.302.259</b>
2.1. Irrevocable Commitments		18.129.695	4.591.549	22.721.244	14.589.203	3.588.438	18.177.641
2.1.1. Asset Purchase and Sale Commitments		3.170.241	3.553.296	6.723.537	1.377.029	2.299.926	3.676.955
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		5.154.480	5.434	5.159.914	4.046.189	117.000	4.163.189
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		1.628.808	-	1.628.808	1.415.524	-	1.415.524
2.1.8. Tax and Fund Obligations from Export Commitments		835	-	835	864	-	864
2.1.9. Commitments for Credit Card Limits		8.147.017	-	8.147.017	7.731.311	-	7.731.311
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		28.314	1.032.819	1.061.133	18.286	1.171.512	1.189.798
2.2. Revocable Commitments		2.494.029	-	2.494.029	1.124.618	-	1.124.618
2.2.1. Revocable Loan Granting Commitments		2.493.470	-	2.493.470	1.124.059	-	1.124.059
2.2.2. Other Revocable Commitments		559	-	559	559	-	559
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>23.202.624</b>	<b>56.357.102</b>	<b>79.559.726</b>	<b>17.200.906</b>	<b>46.290.330</b>	<b>63.491.236</b>
3.1. Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		23.202.624	56.357.102	79.559.726	17.200.906	46.290.330	63.491.236
3.2.1. Forward Foreign Currency Purchases/Sales		1.627.073	2.754.431	4.381.504	1.994.052	3.310.137	5.304.189
3.2.1.1. Forward Foreign Currency Purchases		845.176	1.344.718	2.189.894	798.597	1.874.345	2.672.942
3.2.1.2. Forward Foreign Currency Sales		781.897	1.409.713	2.191.610	1.195.455	1.435.792	2.631.247
3.2.2. Currency and Interest Rate Swaps		11.840.903	43.266.955	55.107.858	7.958.719	34.886.842	42.845.561
3.2.2.1. Currency Swaps-Purchases		1.582.415	21.725.254	23.307.669	1.264.852	15.917.855	17.182.707
3.2.2.2. Currency Swaps-Sales		10.158.488	12.346.835	22.505.323	6.593.867	10.059.978	16.653.845
3.2.2.3. Interest Rate Swaps-Purchases		50.000	4.597.433	4.647.433	50.000	4.454.505	4.504.505
3.2.2.4. Interest Rate Swaps-Sales		50.000	4.597.433	4.647.433	50.000	4.454.504	4.504.504
3.2.3. Currency, Interest Rate and Security Options		8.842.153	9.089.105	17.931.258	7.166.756	8.025.407	15.192.163
3.2.3.1. Currency Options-Purchases		3.842.620	5.079.082	8.921.702	3.074.785	4.378.541	7.453.326
3.2.3.2. Currency Options-Sales		4.949.533	3.960.642	8.910.175	3.941.971	3.437.726	7.379.697
3.2.3.3. Interest Rate Options-Purchases		-	49.381	49.381	-	184.882	184.882
3.2.3.4. Interest Rate Options-Sales		50.000	-	50.000	150.000	24.258	174.258
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		-	-	-	-	-	-
3.2.4.1. Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2. Currency Futures-Sales		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6. Others		892.495	1.246.611	2.139.106	81.379	67.944	149.323
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>221.111.422</b>	<b>55.604.000</b>	<b>276.715.422</b>	<b>177.689.601</b>	<b>47.475.808</b>	<b>225.165.409</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>33.876.317</b>	<b>1.691.654</b>	<b>35.567.971</b>	<b>18.934.749</b>	<b>1.426.461</b>	<b>20.361.210</b>
4.1. Customers' Securities and Portfolios Held		299.113	-	299.113	161.547	-	161.547
4.2. Securities Held in Custody		32.165.013	565.653	32.730.666	17.538.558	437.538	17.976.096
4.3. Checks Received for Collection		471.218	881.659	1.352.877	498.193	813.467	1.311.660
4.4. Commercial Notes Received for Collection		939.862	230.175	1.170.037	735.455	161.939	897.394
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	14.167	14.167	-	13.517	13.517
4.8. Custodians		1.111	-	1.111	996	-	996
<b>V. PLEDGED ITEMS</b>		<b>186.862.858</b>	<b>51.609.879</b>	<b>238.472.737</b>	<b>158.403.506</b>	<b>43.795.370</b>	<b>202.198.876</b>
5.1. Securities		6.723.467	58.709	6.782.176	2.339.858	59.598	2.399.456
5.2. Guarantee Notes		125.540.478	19.774.213	145.314.691	107.339.454	19.253.329	126.592.783
5.3. Commodities		7.408.927	3.014.334	10.423.261	7.119.642	3.002.721	10.122.363
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		42.389.362	20.231.809	62.621.171	37.294.286	17.631.824	54.926.110
5.6. Other Pledged Items		4.800.624	8.530.814	13.331.438	4.310.266	3.847.898	8.158.164
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>372.247</b>	<b>2.302.467</b>	<b>2.674.714</b>	<b>351.346</b>	<b>2.253.977</b>	<b>2.605.323</b>
<b>TOTAL OFF BALANCE SHEET ITEMS (A+B)</b>		<b>272.062.629</b>	<b>128.622.702</b>	<b>400.685.331</b>	<b>217.200.671</b>	<b>109.173.749</b>	<b>326.374.420</b>

The accompanying notes are an integral part of these consolidated financial statements.

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.3*

INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(01/01-30/06/2014)	(01/01-30/06/2013)	(01/04-30/06/2014)	(01/04-30/06/2013)
<b>I. INTEREST INCOME</b>	(5.IV.1)	<b>3.396.688</b>	<b>2.621.203</b>	<b>1.709.410</b>	<b>1.272.165</b>
1.1 Interest from Loans		2.829.093	2.162.273	1.438.601	1.104.448
1.2 Interest from Reserve Deposits		-	-	-	-
1.3 Interest from Banks		24.585	4.636	10.890	2.399
1.4 Interest from Money Market Transactions		46.382	3.308	27.103	2.353
1.5 Interest from Securities Portfolio		391.948	367.993	181.273	121.541
1.5.1 Trading Securities		16.898	68.523	7.928	20.151
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3 Available for Sale Securities		209.177	285.005	98.771	94.764
1.5.4 Held to Maturity Securities		165.873	14.465	74.574	6.626
1.6 Interest from Financial Leases		80.539	66.090	40.247	34.146
1.7 Other Interest Income		24.141	16.903	11.296	7.278
<b>II. INTEREST EXPENSE</b>	(5.IV.2)	<b>1.719.003</b>	<b>1.064.441</b>	<b>874.030</b>	<b>527.723</b>
2.1 Interest on Deposits		1.267.842	842.442	641.078	414.794
2.2 Interest on Funds Borrowed		280.067	141.036	144.358	75.035
2.3 Interest on Money Market Transactions		70.161	23.657	37.032	11.536
2.4 Interest on Securities Issued		88.829	40.657	49.937	23.162
2.5 Other Interest Expense		12.104	16.649	1.625	3.196
<b>III. NET INTEREST INCOME (I - II)</b>		<b>1.677.685</b>	<b>1.556.762</b>	<b>835.380</b>	<b>744.442</b>
<b>IV. NET FEES AND COMMISSION INCOME /EXPENSE</b>	(5.IV.10)	<b>483.003</b>	<b>352.568</b>	<b>254.989</b>	<b>172.329</b>
4.1 Fees and Commissions Received		633.838	470.807	340.505	236.148
4.1.1 Non-Cash Loans		62.598	50.151	32.283	25.872
4.1.2 Other		571.240	420.656	308.222	210.276
4.2 Fees and Commissions Paid		150.835	118.239	85.516	63.819
4.2.1 Non-Cash Loans		448	442	(335)	272
4.2.2 Other		150.387	117.797	85.851	63.547
<b>V. DIVIDEND INCOME</b>		<b>1.302</b>	<b>3.012</b>	<b>1.284</b>	<b>2.959</b>
<b>VI. TRADING INCOME/LOSS (Net)</b>	(5.IV.3)	<b>(280.491)</b>	<b>204.717</b>	<b>(221.439)</b>	<b>109.556</b>
6.1 Profit / Loss on Securities Trading		54.660	159.845	43.778	34.475
6.2 Profit / Loss on Derivative Financial Transactions		(525.251)	371.526	(365.991)	400.296
6.3 Foreign Exchange Gains / Losses		190.100	(326.654)	100.774	(325.215)
<b>VII. OTHER OPERATING INCOME</b>	(5.IV.4)	<b>308.467</b>	<b>166.044</b>	<b>139.611</b>	<b>72.535</b>
<b>VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>2.189.966</b>	<b>2.283.103</b>	<b>1.009.825</b>	<b>1.101.821</b>
<b>IX. PROVISION FOR LOANS AND OTHER RECEIVABLES (-)</b>	(5.IV.5)	<b>408.724</b>	<b>568.052</b>	<b>137.092</b>	<b>238.976</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(5.IV.6)	<b>1.142.156</b>	<b>899.062</b>	<b>588.796</b>	<b>460.402</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>639.086</b>	<b>815.989</b>	<b>283.937</b>	<b>402.443</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XIII. INVESTMENTS PROFIT / LOSS FROM ACCOUNTED FOR UNDER EQUITY METHOD</b>		-	-	-	-
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		-	-	-	-
<b>XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	(5.IV.7)	<b>639.086</b>	<b>815.989</b>	<b>283.937</b>	<b>402.443</b>
<b>XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5.IV.8)	<b>(133.113)</b>	<b>(181.362)</b>	<b>(55.810)</b>	<b>(81.094)</b>
16.1 Current Tax		(139.129)	(55.711)	(112.345)	563
16.2 Deferred Tax		6.016	(125.651)	56.535	(81.657)
<b>XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)</b>	(5.IV.9)	<b>505.973</b>	<b>634.627</b>	<b>228.127</b>	<b>321.349</b>
<b>XVIII. PROFIT FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
18.1 Assets Held for Sale		-	-	-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3 Other		-	-	-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
19.1 Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3 Other		-	-	-	-
<b>XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-	-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	(5.IV.8)	-	-	-	-
21.1 Current Tax		-	-	-	-
21.2 Deferred Tax		-	-	-	-
<b>XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-	-	-
<b>XXIII. NET PROFIT / LOSS (XVII+XXII)</b>	(5.IV.9)	<b>505.973</b>	<b>634.627</b>	<b>228.127</b>	<b>321.349</b>
23.1 Group's Profit / Loss		505.162	634.759	227.336	322.304
23.2 Minority Shares		811	(132)	791	(955)
Earnings / Losses per Share (Per thousand share)		0,71	0,89	0,32	0,45

The accompanying notes are an integral part of these consolidated financial statements.

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF RECOGNIZED**  
**PROFITS AND LOSSES ACCOUNTED FOR**  
**UNDER EQUITY**  
**FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Consolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.3*

	CURRENT PERIOD (01/01-30/06/2014)	PRIOR PERIOD (01/01-30/06/2013)
ADDITIONS TO SECURITIES REVALUATION RESERVE FROM AVAILABLE FOR SALE INVESTMENTS	164.951	(699.248)
TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(33.521)	73.756
PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion of Fair Value Differences)	3.497	30.670
PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion of Fair Value Differences)	21.232	(77.830)
THE EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
OTHER PROFIT/LOSS ITEMS ACCOUNTED FOR UNDER EQUITY DUE TO TAS	-	-
DEFERRED TAXES OF VALUATION DIFFERENCES	(35.575)	139.800
NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	120.584	(532.852)
CURRENT PERIOD PROFIT/LOSS	505.973	634.627
Net Change in Fair Value of Securities (Transfer to Profit & Loss)	10.810	199.312
Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes Recycled to Income Statement	(3.182)	(45.856)
Transfer of Hedge of Net Investment in Foreign Operations Recycled to Income Statement	-	-
Other	498.345	481.171
TOTAL PROFIT AND LOSS ACCOUNTED FOR THE PERIOD (X±XI)	626.557	101.775

The accompanying notes are an integral part of these consolidated financial statements.



**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.3*

CHANGES IN SHAREHOLDERS' EQUITY	Paid-In Capital	Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Securities Revaluation Reserve	Revaluation Fund of Tang./Intang.A.	Bonus Shares Obtained from Associates	Hedging Reserves	Val.Diff.Related to Assets Held for Sale/Disc.Opr.	Total Equity Attrib. to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity
<b>(01/01-30/06/2013)</b>																		
I. Balances at the Beginning of Period	716.100	189.164	98.411	-	149.561	-	2.535.535	87.789	717.427	705.820	297.599	306.054	11	(154.611)	-	5.648.860	15.764	5.664.624
II. Adjustment in accordance with TMS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	716.100	189.164	98.411	-	149.561	-	2.535.535	87.789	717.427	705.820	297.599	306.054	11	(154.611)	-	5.648.860	15.764	5.664.624
Changes in the Period																		
IV. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation Differences of Securities	-	-	-	-	-	-	-	-	-	-	(557.898)	-	-	-	-	(557.898)	-	(557.898)
VI. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(48.710)	-	(48.710)	-	(48.710)
6.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	29.120	-	29.120	-	29.120
6.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(77.830)	-	(77.830)	-	(77.830)
VII. Revaluation Fund of Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation Fund of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares Obtained from Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences	-	-	-	-	-	-	-	73.756	-	-	-	-	-	-	-	73.756	-	73.756
XI. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effects of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. The Effect of Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Issuance of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other	-	-	-	-	-	-	-	-	-	(174)	-	-	-	-	-	(174)	174	-
XIX. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	634.759	-	-	-	-	-	-	634.759	(132)	634.627
XX. Profit Distribution	-	-	-	-	-	-	-	-	(717.427)	(95.204)	-	-	-	-	-	-	-	-
20.1 Dividends Distributed	-	-	-	-	-	-	812.631	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfer to Reserves	-	-	-	-	-	-	812.631	-	(717.427)	(95.204)	-	-	-	-	-	-	-	-
20.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (I+II+III+...+XVIII+XIX+XX)</b>	<b>716.100</b>	<b>189.164</b>	<b>98.411</b>	<b>-</b>	<b>149.561</b>	<b>-</b>	<b>3.348.166</b>	<b>161.545</b>	<b>634.759</b>	<b>610.442</b>	<b>(260.299)</b>	<b>306.054</b>	<b>11</b>	<b>(203.321)</b>	<b>-</b>	<b>5.750.593</b>	<b>15.806</b>	<b>5.766.399</b>
<b>(01/01-30/06/2014)</b>																		
I. Balances at the Beginning of Period	716.100	189.164	98.411	-	149.561	-	3.348.167	418.103	1.011.230	588.942	(350.515)	306.054	11	(424.151)	-	6.051.077	37.292	6.088.369
Changes in the Period																		
II. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Differences of Securities	-	-	-	-	-	-	-	-	-	-	129.691	-	-	-	-	129.691	-	129.691
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	24.414	-	24.414	-	24.414
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	3.182	-	3.182	-	3.182
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	21.232	-	21.232	-	21.232
V. Revaluation Fund of Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Fund of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences	-	-	-	-	-	-	-	(33.521)	-	-	-	-	-	-	-	(33.521)	-	(33.521)
IX. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other (*)	-	-	-	-	-	-	-	-	-	26.997	-	-	-	-	-	26.997	(32.156)	(5.159)
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	505.162	-	-	-	-	-	-	505.162	811	505.973
XVIII. Profit Distribution	-	-	-	-	-	-	-	-	(1.011.230)	557.075	-	-	-	-	-	-	-	-
18.1 Dividend Distributed	-	-	-	-	-	-	454.155	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves	-	-	-	-	-	-	454.155	-	(1.011.230)	557.075	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (I+II+III+...+XVI+XVII+XVIII)</b>	<b>716.100</b>	<b>189.164</b>	<b>98.411</b>	<b>-</b>	<b>149.561</b>	<b>-</b>	<b>3.802.322</b>	<b>384.582</b>	<b>505.162</b>	<b>1.173.014</b>	<b>(220.824)</b>	<b>306.054</b>	<b>11</b>	<b>(399.737)</b>	<b>-</b>	<b>6.703.820</b>	<b>5.947</b>	<b>6.709.767</b>

(\*) Portion of Deniz Yatırım on Deniz GYO shares reach to 91,38% from 86,76% due to BIST mandatory tender offer on 23 January 2014.

The accompanying notes are an integral part of these consolidated financial statements.

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.3*

	CURRENT PERIOD (01/01-30/06/2014)	PRIOR PERIOD (01/01-30/06/2013)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit before Changes in Operating Assets and Liabilities (+)</b>	<b>1.303.280</b>	<b>989.036</b>
1.1.1 Interest Received (+)	2.998.553	2.360.449
1.1.2 Interest Paid (-)	1.596.151	943.560
1.1.3 Dividend Received (+)	1.302	3.012
1.1.4 Fees And Commissions Received (+)	613.754	425.054
1.1.5 Other Income (+)	448.697	397.250
1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+)	215.314	277.209
1.1.7 Payments to Personnel and Service Suppliers (-)	523.848	374.421
1.1.8 Taxes Paid (-)	71.423	91.679
1.1.9 Other (+/-)	(782.918)	(1.064.278)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>(3.066.528)</b>	<b>(2.079.366)</b>
1.2.1 Net (Increase) Decrease in Trading Securities (+/-)	5.990	236.259
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV (+/-)	-	-
1.2.3 Net (Increase) Decrease in Banks (+/-)	235.723	918.749
1.2.4 Net (Increase) Decrease in Loans (+/-)	(4.297.573)	(8.242.576)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)	(1.553.092)	(1.132.761)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)	195.724	539.057
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)	2.962.009	4.040.308
1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-)	(282.297)	368.090
1.2.9 Net Increase (Decrease) in Due Payables (+/-)	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(333.012)	1.193.508
<b>I. Net Cash (Used in)/Provided from Banking Operations (+/-)</b>	<b>(1.763.248)</b>	<b>(1.090.330)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Provided from / (Used in) Investing Activities (+/-)</b>	<b>(1.218.844)</b>	<b>(143.857)</b>
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)	-	120
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)	-	-
2.3 Fixed Assets Purchases (-)	56.426	24.424
2.4 Fixed Assets Sales (+)	13.618	6.249
2.5 Cash Paid for Purchase of Investments Available for Sale (-)	2.274.771	4.492.411
2.6 Cash Obtained From Sale of Investments Available for Sale (+)	1.098.924	4.366.849
2.7 Cash Paid for Purchase of Investment Securities (-)	189	-
2.8 Cash Obtained from Sale of Investment Securities (+)	-	-
2.9 Other (+/-)	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from / (Used in) Financing Activities (+/-)</b>	<b>2.514.847</b>	<b>2.125.312</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)	4.377.608	3.167.245
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)	1.862.761	1.041.933
3.3 Capital Increase (+)	-	-
3.4 Dividends Paid (-)	-	-
3.5 Payments for Finance Leases (-)	-	-
3.6 Other (+/-)	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>	<b>(50.767)</b>	<b>248.929</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(518.012)</b>	<b>1.140.054</b>
<b>VI. Cash and Cash Equivalents at the Beginning of Period (+)</b>	<b>6.583.374</b>	<b>3.593.313</b>
<b>VII. Cash and Cash Equivalents at the End of Period</b>	<b>6.065.362</b>	<b>4.733.367</b>

The accompanying notes are an integral part of these consolidated financial statements.

## **SECTION THREE**

### **ACCOUNTING POLICIES**

#### **I. Basis of presentation**

##### **1. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents**

The consolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and other decrees, notes and explanations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

The Parent Bank, maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated financial statements have been prepared, under the historical cost convention except for the financial assets and liabilities carried at fair value.

Amounts at the consolidated financial statements and explanations and notes relating to them are represented as thousands TL unless otherwise specified.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet. These estimates, are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimations applied are explained relevant footnotes.

The accounting policies compatible with the accounting policies applied to consolidated financial statements yearly as of 31 December 2013 and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS.

These accounting policies and valuation principles are explained in Notes II to XXIV below.

The amendments of TAS and TFRS which have entered into force as of 1 January 2014 have no material impact on the DFS Group's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, will have no significant impact on the accounting policies, financial condition and performance of the DFS Group. DFS Group assesses the impact of TFRS 9 Financial Instruments standard.

##### **2. Accounting policies and valuation principles used in the preparation of the financial statements**

None.

**3. Additional paragraph for convenience translation:**

The effects of differences between accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No: 5411 and the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**II. Explanation on the strategy for the use of financial instruments and transactions denominated in foreign currencies**

**1. Strategy for the use of financial instruments**

Denizbank Financial Services Group's ("DFS Group") external sources of funds are comprised of deposits with various maturity periods, and short-term borrowings. These funds are fixed rate in general and are utilized in high yield financial assets. The majority of the funds are allocated to high yield, floating rate instruments, such as Turkish Lira and foreign currency government securities and Eurobonds, and to loans provided to customers on a selective basis in order to increase revenue and support liquidity. The liquidity structure, insures meeting all liabilities falling due, is formed by keeping sufficient levels of cash and cash equivalents by diversifying the sources of funds. The Bank assesses the maturity structure of the sources, and the maturity structure and yield of placements at market conditions and adopts a high yield policy in long-term placements.

DFS Group assumes risks within the pre-determined risk limits short-term currency, interest and price movements in money and capital markets and market conditions.

These positions are closely monitored by the Risk Management System of the Parent Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment.

In order to avoid interest rate risk, assets and liabilities with fixed and floating interests are kept in balance, taking the maturity structure into consideration.

The asset-liability balance is monitored on a daily basis in accordance with their maturity structure and foreign currency type. The risks associated with short-term positions are hedged through derivatives such as forwards, swaps and options.

No risks are taken as far as possible on foreign currencies other than US Dollar and Euro. If the position taken because of customer based activities exceeds 0,001% of the balance sheet size, counter transactions are made to cover the position.

Net foreign currency position of DFS Group in foreign enterprises is considered along with the position of the Parent Bank and the specific position is evaluated within the risk limits.

**2. Transactions denominated in foreign currencies**

**2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements**

DFS Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of the balance sheet date are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into TL by using foreign currency exchange rates of the Parent Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Parent Bank's foreign currency exchange rates are as follows.

	<u>30 June 2014</u>	<u>31 December 2013</u>	<u>30 June 2013</u>
US Dollar	TL 2,1226	TL 2,1304	TL 1,9248
Euro	TL 2,8979	TL 2,9344	TL 2,5137

**2.2 Foreign exchange gains and losses included in the income statement**

Net foreign exchange gain included in the income statement amounts to TL 190.100 (1 January - 30 June 2013: net foreign exchange loss of TL 326.654).

**2.3 Total amount of valuation fund arising from foreign currency exchange rate differences**

The assets and liabilities of foreign operations are translated to TL at foreign exchange rates of the Parent Bank ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to TL at six monthly average foreign exchange rates of the Parent Bank. The foreign exchange differences derived from translation of income statements of consolidated subsidiaries, and arising from the difference between TL equivalent of their equities and the Parent Bank's share in their net assets are recorded in "other profit reserves". As of 30 June 2014, total foreign exchange differences in equity amount to TL 368.862 (31 December 2013: TL 400.812).

The foreign exchange difference of TL 14.009 (31 December 2013: TL 15.580) arising from the translation of the financial statements of Bahrain branch of the Parent Bank to TL is recorded in "other profit reserves".

DFS Group's foreign currency denominated subsidiaries on a consolidated basis of the difference in the resulting exchange contracts to hedge the net investment hedge strategy is being implemented.

**III. Information regarding the consolidated subsidiaries**

Consolidated financial statements are prepared in accordance with ("TAS 10") the "Turkish Accounting Standard for Consolidated Financial Statements".

The Parent Bank owns, directly or indirectly, the shares of Deniz Yatırım Menkul Kıymetler A.Ş. (Deniz Yatırım), Ekspres Menkul Değerler A.Ş. (Ekspres Menkul Değerler), Eurodeniz International Banking Unit Ltd. (Eurodeniz), Deniz Portföy Yönetimi A.Ş. (Deniz Portföy), Denizbank AG, CJSC Denizbank, Deniz Finansal Kiralama A.Ş. (Deniz Leasing), Deniz Faktoring A.Ş. (Deniz Faktoring), and Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (Deniz GYO) and Destek Varlık Yönetim A.Ş. (Destek Varlık Yönetim), and these subsidiaries are consolidated fully.

DFS Funding Corp., which is a structured entity, is also included in the scope of consolidation.

#### **Important changes on consolidated subsidiaries in reporting period**

The title of “Ekspres Yatırım Menkul Değerler A.Ş.” was registered as “Ekspres Menkul Değerler A.Ş.” as of 3 April 2014.

The title of “Deniz Varlık Yönetim A.Ş.” was registered as “Destek Varlık Yönetim A.Ş.” as of 9 April 2014.

Capital of Deniz Yatırım was increased with amounting to totally TL 95 million by the Parent Bank dating 18 and 28 February 2014.

Portion of Deniz Yatırım on Deniz GYO shares reach to 91,38% from 86,76% due to BIST mandatory tender offer on 23 January 2014.

Pursuant to the resolution taken at the Board of Directors meeting of Deniz GYO held on February 6, 2014, it was decided that Deniz GYO shall be merged with Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş. (“Pupa”), a subsidiary of Deniz GYO, using the simplified merger method through the takeover of all assets and liabilities in accordance with the Turkish Commercial Code, Corporate Tax Law, Capital Markets Law and the provisions of the Communiqué on Mergers and Demergers II-23.2 of the Capital Market Board (“CMB”). The permission request was filed to CMB on February 11, 2014 and the necessary permission was received upon the approval of the CMB dated May 20, 2014 and numbered 394/5150. Upon the receipt of these permissions, the application made to the Istanbul Trade Registry, for the registration of the subject merger was concluded as of June 11, 2014 and the merger of Deniz Gyo and Pupa through the takeover method was completed on June 11, 2014.

The operations of Ekspres Yatırım were temporarily suspended as of December 31, 2013 pursuant to the resolution taken at the Board of Directors meeting of Ekspres Yatırım dated November 28, 2013 and numbered 2013/29.

The Parent Bank and its consolidated subsidiaries are referred to as “DFS Group” in the disclosures and footnotes related to the consolidated financial statements.

In addition, the non-financial subsidiaries of the parent bank; Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. (“Intertech”), Deniz Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. (“Deniz Kültür”) and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (“Bantaş”) which is jointly controlled company and affiliates of Intertech; Deniz Kartlı Ödeme Sistemleri A.Ş. and Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş. are excluded from the consolidation process.

#### **Consolidation principles for subsidiaries**

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank. Subsidiaries are consolidated using the full consolidation method.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank’s returns.

According to this method, the financial statements of the Parent Bank and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated income statement.

The carrying amount of the Parent Bank’s investment in each subsidiary and the Parent Bank’s portion of equity of each subsidiary are eliminated.

All intercompany transactions and intercompany balances between the consolidated subsidiaries and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 30 June 2014 and appropriate adjustments are made to financial statements to use uniform accounting policies for transactions and events alike in similar circumstances, in accordance with the principal of materiality.

**IV. Explanations on forward transactions, options and derivative instruments**

DFS Group's derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps, options and futures that are classified as "trading purpose" transactions. Derivative transactions are recorded with their fair values at contract date. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts.

The derivative transactions are valued at fair value using market prices or pricing models subsequent to initial recognition and are presented in the "Positive Value of Trading Purpose Derivatives" and "Negative Value of Trading Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value are recognized in the income statement. Fair values of derivatives are calculated using discounted cash flow model or market value.

**V. Explanations on interest income and expenses**

Interest income and expenses are recognized as they are accrued taking into account the internal rate of return method. Interest accrual does not start until non-performing loans become performing and are classified as performing loans or until collection in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside", published in the Official Gazette No. 26333 dated 1 November 2006, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411.

**VI. Explanations on fees and commissions**

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are either recognized on an accrual basis over the period the service is provided or received or recognized as income or expense when collected or paid depending on their nature.

**VII. Explanations on financial assets**

Financial assets include cash; acquisition right of cash or acquisition right of other financial asset or bilateral exchange right of financial assets or equity instrument transactions with the counterpart. Financial assets are classified in four categories; as financial assets at fair value through profit or loss, financial assets available-for-sale, investment held-to-maturity, and loans and receivables.

**1. Financial assets at fair value through profit or loss**

**1.1 *Financial assets held for trading***

Trading financial assets are financial assets which are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aimed at short-term profit making.

Trading financial assets are recognized at their fair value in the balance sheet and remeasured at their fair value after recognition.

All gains and losses arising from valuations of trading financial assets are reflected in the income statement. In accordance with descriptions of the uniform chart of accounts, favorable difference between acquisition cost of financial asset and its discounted value are recognized in "Interest Income", in the case of fair value of asset is above its discounted value, favorable difference between them are recognized in "Capital Market Transactions Profits" account, in the case of fair value is below discounted value, unfavorable difference between them are recognized in "Capital Market Transactions Losses" account. In the case of financial asset is sold off before its maturity, consisted gains or losses are accounted within the same principals.

Derivative financial assets are classified as trading financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

**1.2 *Financial assets at fair value through profit or loss***

DFS Group does not have any securities designated as "financial assets at fair value through profit or loss".

**2. Investment securities available-for-sale**

Available-for-sale assets are financial assets that are not loans and receivables, held to maturity investments and financial assets at fair value through profit or loss.

After the recognition, financial assets available for sale are remeasured at fair value. Interest income arising from available for sale calculated with "Effective interest method" and dividend income from equity securities are reflected to the income statements. Unrealized gains and losses arising from the differences at fair value of securities classified as available for sale and that is representing differences between amortized cost calculated with effective interest method and fair value of financial assets are recognized under the account of "Marketable securities valuation differences" inside shareholder's equity items. Unrealized profits and losses do not represent on relevant income statement until these securities are collected or disposed of and the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

**3. Investment securities held-to-maturity**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available for sale; and those that meet the definition of loans and receivables.

Held to maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflects the fair value of the those instruments and subsequently recognized at amortized cost by using effective interest rate method.

Interest incomes obtained from held to maturity financial assets are presented in the line of "interest received from securities portfolio - investment securities held-to-maturity" in the consolidated statement of income.



There are no financial assets that are banned from being classified as investment securities held-to-maturity for two years due to the violation of the tainting rule.

Real coupon of Consumer Price Index ("CPI") that is linked government bonds under available-for-sale and held-to maturity portfolios remains fixed until maturity. At the same time intended to effect of change in Consumer Price Index, valuation is carried out with using reference indexes at relating issue of security and preparation date of financial statements.

#### **4. Loans and specific provisions**

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available for sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost to transaction costs which reflect fair value and subsequently recognized at the discounted value calculated using the "Effective interest method".

Cash loans are accounted for in accordance with the principles in TAS 39 "Financial Instruments: Recognition and Measurement".

In this respect, foreign currency loans are subject to evaluation and currency exchange differences arising from such re-measurements are reflected in "Foreign Exchange Gains/Losses" account in the consolidated income statement. Foreign currency-indexed loans are initially recognized in their Turkish Lira equivalents; repayments are calculated with exchange rate at payment date, currency exchange differences occurred are reflected in profit/loss accounts.

Specific and general allowances are made in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published in the Official Gazette numbered 26333 dated 1 November 2006, and which was amended with the communiqué published in the Official Gazette numbered 27513 dated 6 March 2010.

When collections are made on loans that have been provided for, they are credited to the income statement accounts "Provision for Loan Losses or Other Receivables" if the provision was made in the current year, otherwise such collections are credited to "Other Operating Income" account with respect to allowances made in prior years. The interest income recovered is booked in "Other Interest Income" account.

#### **VIII. Explanations on impairment of financial assets**

The existence of objective evidence whether a financial asset or group of financial assets is impaired, is assessed at each balance sheet date. If such evidence exists, impairment provision is provided.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest method" and its carrying value. Regarding available-for-sale financial assets, when there is objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. An explanation about the impairment of loans and receivables is given in Note VII-4

**IX. Explanations on offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the DFS Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. Explanations on sale and repurchase agreements and transactions related to the lending of securities**

Government bonds and treasury bills sold to customers under repurchase agreements are classified according to purpose of being hold into portfolio on the assets side of the accompanying consolidated balance sheet within “Financial Assets Held for Trading”, “Investment Securities Available for Sale” and “Investment Securities Held to Maturity” and are valuating according to valuation principles of relating portfolio. Funds obtained from repurchase agreements are presented on the liability side of the consolidated balance sheet within the account of “Funds Provided under Repurchase Agreements”. The accrual amounts corresponding to the period is calculated over the sell and repurchase price difference determined in repurchase agreements. Accrued interest expenses calculated for funds obtained from repurchase agreements are presented in “Reverse Repurchase Agreements” account in liability part of the consolidated balance sheet.

Securities received with resale commitments are presented under “Reverse Repurchase Agreements” line in the balance sheet. The accrual amounts for the corresponding part to the period of the resale and repurchase price difference determined in reverse repurchase agreements are calculated using the “Effective interest method”. The Parent Bank has not any security which subjected to borrowing activities.

**XI. Explanations on assets held for sale and discontinued operations**

An asset is regarded as “Asset held for resale” only when the sale is highly propable and the asset is available for immediate sale in its present condition. For a highly proable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Various events and conditions can prolong completion period of sale transaction to more than 1 year. This loss of time is realized due to events and conditions out of contol of an enterprise and in the position of competent evidence about sales plan of an enterprise for sale of relevant asset continuing, assets mentioned continuing to be classified as assets held for sale.

The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single balance.

A discontinued operation is a division of a bank that is either disposed or held for sale and represents a separate major line of business or geographical area of operations; or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

As 30 June 2014, DFS Group does not have non-current assets held for sale and a discontinued operation. (31 December 2013: None.)

## **XII. Explanations on goodwill and other intangible assets**

### **1. Goodwill**

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The “net goodwill” resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles. Assets of the acquired company which are not presented on financial statements but separated from goodwill represented with fair values of tangible assets (credit card brand equity, customer portfolio etc.) and/or contingent liabilities to financial statements in process of acquisition.

In accordance with “TFRS 3 - Business Combinations”, the goodwill is not amortized. It is tested yearly or if there is any indication of impairment according to “Turkish Accounting Standard 36 (TAS 36) - Impairment of Assets”.

### **2. Other intangible assets**

Intangible assets are initially classified over acquisition cost values and other costs which are required for activation of the financial asset in accordance with TAS 38 “Intangible Assets” standard. Intangible assets are evaluated over excess value of net cost that derived from accumulated depreciation and accumulated impairment after recognition period.

The Group’s intangible assets consist of software, license rights and total values of credit cards and personal loans portfolio.

Intangible assets purchased before 1 January 2003 and after 31 December 2006 are amortized on a straight-line basis; and those purchased between the aforementioned dates are amortized by using the double-declining method. Useful life of an asset is estimated by assessment of the expected life span of the asset, technical, technological wear outs, of the asset. The amortization rates used approximate the useful lives of the assets.

Maintenance costs associated with the computer software that are in use are expensed at the period of occurrence.

### **XIII. Explanations on tangible assets**

All tangible assets are initially recognized at their acquisition cost in accordance with TAS 16 “Tangible Assets”.

Tangible assets purchased before 2003 and in 2007 are depreciated on a straight-line basis and those purchased in 2003, 2004, 2005 and 2006 are depreciated using the double-declining method. The depreciation rates used are as below.

	Estimated Economic Life (Year)	Received before 2003 year	Received between 2003- 2006 years	received in 2007	received between 2008- 2013 years
<b>Movables</b>					
- Office machinery	4 YEARS	20%	40% - 50%	20% - 25%	10% - 25%
- Furniture/Furnishing	5 YEARS	20%	20% - 50%	10% - 20%	12,50% - 20%
- Means of transport	5 YEARS	20%	40% - 50%	20% - 50%	20% - 50%
- Other equipment	10 YEARS	20%	4,44% - 50%	2,50% - 50%	2,50% - 50%
<b>Real estates</b>	50 YEARS	2%	2%	2%	2% - 2,94%

As of 30 June 2014 the Parent Bank has an impairment provision of TL 4.402, which had been recorded in the prior years for its buildings.

Expenditures for maintenance and repairs that are routinely made on tangible assets are charged as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset

There are no restrictions such as pledges and mortgages on tangible assets or no purchase commitments.

### **XIV. Explanations on Investment Properties**

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as “investment property”. Investment property is carried at fair value. Gains or losses arising from a change in the fair value of investment property are recognized in the income statement in the period in which they occur.

Investment property is derecognized through disposal or withdrawal from use and when no future economic benefit is expected from its disposal. Gains or losses arising from the disposal of investment property are recognized in the related statement of income or expense accounts in the period in which they occur.

### **XV. Explanations on leasing activities**

Fixed assets acquired through financial leasing are recognized in tangible assets and depreciated in line with fixed assets group they relate to. The obligations under finance leases arising from the lease contracts are presented under “Finance Lease Payables” account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement.

DFS Group has finance lease transactions as “lessor” via its subsidiary, Deniz Leasing. The lease receivables related to leased assets are recorded as finance lease receivables. The asset subject to the financial leasing is presented in the balance sheet as receivable equal to the net leasing amount. Interest income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return and the unrecognized portion is followed under unearned interest income account.

Specific provisions for non-performing financial lease receivables of DFS Group are provided for in accordance with the “Communiqué On Procedures and Principles For The Provisions To Be Set Aside By Financial Leasing, Factoring and Financing Companies For Their Receivables” published in the Official Gazette numbered 28861 dated 24 December 2013 and it represented under loans and specific provision for receivables in the enclosed consolidated balance sheet.

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

#### **XVI. Explanations on provisions and contingent liabilities**

Provisions other than specific and general provisions for loans and other receivables and free provisions for probable risks, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by DFS Group management. Whenever the amount of such obligations cannot be measured, they are regarded as “Contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured reliably, a provision is recognized. If the amount of the obligation cannot be measured reliably or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

Based on the representations of the Parent Bank’s attorneys, there are 5.075 lawsuits against DFS Group with total risks amounting to TL 143.255, US Dollar 4.314.299 and Euro 3.751.369 as of 30 June 2014. There are also 7.898 follow-up cases amounting to TL 342.228 and Euro 64.747 in total that are filed by DFS Group and are at courts. DFS Group booked a provision amounting to TL 26.546 for the continuing lawsuits (31 December 2013: TL 19.085).

#### **XVII. Explanations on obligations for employee benefits**

Provision for employee benefits has been accounted for in accordance with TAS 19 “Employee Benefits”.

The Parent Bank in accordance with existing legislation in Turkey, is required to make retirement and notice payments to each employee whose employment is terminated due to reasons other than resignation or misconduct. Except to the this extents, the Parent Bank is required to make severance payment to each employee whose employment is terminated due to retirement, death, military service and to female employees following their marriage within one year leave the job of their own accords by fourteenth clause of Labour Law.

DFS Group, in accordance with TAS 19 “Employee Benefits” realized provision registry under the condition of prediction of present value of possible liability in the future related to employee termination benefits. Losses and gains which occur after 1 January 2013 are adjusting under the Equity Accounts in accordance with updated TAS 19 Standard.

The Bank has recognized vacation pay liability amount which is calculated from unused vacation to financial statement as a provision.

## **XVIII. Explanations on taxation**

### **1. Current taxes**

In accordance with the Corporate Tax Law No: 5520 published in the Official Gazette numbered 26205 dated 21 June 2006, the corporate tax rate is levied at 20% beginning from 1 January 2006.

Companies file their corporate tax returns between the 1st and 25th days of the following four months period after to which they relate and the payments are made until the end of that month.

The provision for corporate tax for the period is reflected as the “Current Tax Liability” in the liabilities and “Current Tax Provision” in the income statement.

In accordance with the Corporate Tax Law, tax losses can be carried forward for five years. The tax authorities can inspect tax returns and the related accounting records back to a maximum period of five years.

Besides institutions reside in Turkey, dividends paid to the offices or the institutions earning through their permanent representatives in Turkey are not subject to withholding tax. According to the decision no. 2006/10731 of the Council of Ministers published in the Official Gazette no. 26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. In this respect, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the institutions residing in Turkey is 15%. While applying the withholding tax rates on dividend payments to the foreign based institutions and the real persons, the withholding tax rates covered in the related Avoidance of Double Taxation Treaty are taken into account. Addition of profit to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The foreign subsidiaries of DFS Group that operate in Austria, the Russian Federation and Cyprus are subject to corporate tax rates of 25%, 20% and 2%, respectively.

Current Tax Effects that sourced from directly classified in equity transactions represent on equity accounts.

### **2. Deferred taxes**

In accordance with TAS 12 “Income Taxes”, DFS Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Individual deferred tax assets and liabilities of the consolidated entities have been offset in their separate financial statements, but have not been offset in the consolidated balance sheet. As a result of offsetting, deferred tax assets of TL 106.235 (31 December 2013: TL 127.705) and deferred tax liabilities of TL 10.969 (31 December 2013: TL 2.991) have been recognized in the accompanying financial statements.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts.

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

**XIX. Additional explanations on borrowings**

Instruments representing the borrowings are initially recognized at cost represented its fair value and measured at amortized cost based on the internal rate of return at next periods. Foreign currency borrowings have been translated using the foreign currency buying rates of the Parent Bank at the balance sheet date. Interest expense incurred for the period has been recognized in the accompanying financial statements.

General hedging techniques are used for borrowings against liquidity and currency risks. The Parent Bank, if required, borrows funds from domestic and foreign institutions. The Parent Bank can also borrows funds in the forms of syndication loans and securitization loans from foreign institutions.

Funds maintained via financial instruments representing borrowings issued by structured entity (SPE) are disclosed under "Funds Borrowed".

**XX. Explanations on issuance of share certificates**

Transactions related to issuance of share certificates are explained in footnote 5.II.10.8. No dividends have been declared subsequent to the balance sheet date.

**XXI. Explanations on acceptances**

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

As of the balance sheet date, there are no acceptances recorded as liability in return for assets.

**XXII. Explanations on government grants**

As of the balance sheet date, DFS Group does not have any government grants.

**XXIII. Explanations on segment reporting**

Segment reporting is presented in Section Four, Footnote X.

**XXIV. Explanations on other matters**

None.

## **SECTION FOUR**

### **CONSOLIDATED FINANCIAL POSITION**

#### **I. Explanations related to the consolidated capital adequacy standard ratio**

As per the revised “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” effective from 1 July 2012, the consolidated capital adequacy ratio is 12,58% as of 30 June 2014 (unconsolidated capital adequacy ratio: 14,00%). This ratio is above the minimum rate specified in the related regulation.

#### **1. Risk measurement methods in the calculation of consolidated capital adequacy ratio**

Consolidated capital adequacy ratio is calculated in accordance with the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the “Regulations”)”, “Regulation on Credit Risk Mitigation Techniques” published in the Official Gazette no.28337, dated 28 June 2012 and the “Regulation on Equities of Banks” published in the Official Gazette no.2633, dated 1 November 2006.

In the calculation of the consolidated capital adequacy ratio, the data prepared in compliance with the current legislation is used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as “trading book” and “banking book” according to the regulation.

The items classified as trading book and the items deducted from the equity are not included in the calculation of credit risk. In the calculation of risk weighted assets, the assets subject to amortization or impairment, are taken into account on a net basis after being reduced by the related amortizations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions and calculated based on the “Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables”. The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” according to comprehensive financial guarantee method and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial instruments and the credit derivatives classified in the banking book, the receivables from counterparties are multiplied by the rates stated in the Appendix-2 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

As per the article 5 of the Regulation, the “Counterparty Credit Risk” is calculated for repurchase transactions, securities and commodities borrowing agreements.



**2. Consolidated and unconsolidated capital adequacy ratios**

Current Period	Risk Weighted Assets									
	Consolidated									
	%0	%10	%20	%50	%75	%100	%150	%200	%250	%1250
Credit Risk Base	--	--	563.654	4.684.356	10.909.808	45.931.777	2.057.951	7.497.966	725.423	--
<b>Risk classifications</b>										
Conditional and unconditional receivables from central governments or central banks	16.622.594	--	--	590.860	--	--	--	--	190.911	--
Conditional and unconditional receivables from regional or local governments	--	--	855.697	34.957	--	28.118	--	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	--	--	--	--	--	1	--	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	--	--	1.962.529	1.603.268	--	1.215.684	24.595	--	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	40.609.681	--	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	14.546.410	1.247.894	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	7.111.099	--	786.701	--	--	--	--
Past due receivables	--	--	--	23.835	--	379.790	97.651	--	--	--
Receivables defined in high risk category by BRSA	--	--	--	4.693	--	26.497	1.249.721	3.748.983	99.258	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	--	--	--	--	--	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--	--
Other receivables	1.536.009	--	45	--	--	1.637.411	--	--	--	--

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Prior Period	Risk Weighted Assets									
	Consolidated									
	%0	%10	%20	%50	%75	%100	%150	%200	%250	%1250
<b>Credit Risk Base</b>	--	--	577.792	4.021.798	9.861.770	42.923.456	1.968.150	7.642.148	360.463	--
<b>Risk classifications</b>										
Conditional and unconditional receivables from central governments or central banks	14.601.007	--	--	438.546	--	--	--	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	820.852	35.394	--	31.973	--	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	--	--	--	--	--	1	--	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	--	--	260.059	830.611	--	381.162	2	--	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	38.875.844	4.867	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	13.149.026	902.651	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	6.636.038	--	748.756	--	--	--	--
Past due receivables	--	--	--	21.526	--	344.966	109.763	--	--	--
Receivables defined in high risk category by BRSA	--	--	--	3.705	--	13.493	1.197.468	3.821.074	144.185	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	1.808.007	77.776	--	258.154	--	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--	--
Other receivables	1.292.966	--	42	--	--	1.366.456	--	--	--	--

Current Period	Risk Weighted Assets									
	Parent Bank									
	%0	%10	%20	%50	%75	%100	%150	%200	%250	%1250
<b>Credit Risk Base</b>	--	--	284.573	4.342.566	10.583.967	29.901.071	1.961.015	7.497.966	579.610	--
<b>Risk classifications</b>										
Conditional and unconditional receivables from central governments or central banks	15.152.398	--	--	383.379	--	--	--	--	132.586	--
Conditional and unconditional receivables from regional or local governments	--	--	855.697	--	--	605	--	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	--	--	--	--	--	1	--	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	--	--	567.152	1.380.754	--	921.058	21.381	--	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	23.628.499	--	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	14.111.956	1.247.892	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	6.892.471	--	744.040	--	--	--	--
Past due receivables	--	--	--	23.835	--	346.007	36.690	--	--	--
Receivables defined in high risk category by BRSA	--	--	--	4.693	--	12.177	1.249.272	3.748.983	99.258	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	--	--	--	--	--	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--	--
Other receivables	1.481.844	--	18	--	--	3.000.792	--	--	--	--

Prior Period	Risk Weighted Assets									
	Parent Bank									
	%0	%10	%20	%50	%75	%100	%150	%200	%250	%1250
<b>Credit Risk Base</b>	--	--	315.877	4.178.093	9.497.737	27.683.970	1.795.614	7.642.148	360.463	--
<b>Risk classifications</b>										
Conditional and unconditional receivables from central governments or central banks	13.237.439	--	--	355.725	--	--	--	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	820.852	--	--	628	--	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	--	--	--	--	--	1	--	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	--	--	230.289	1.315.135	--	84.502	--	--	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	22.659.680	--	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	12.663.649	902.651	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	6.636.038	--	748.756	--	--	--	--
Past due receivables	--	--	--	21.526	--	301.132	35.637	--	--	--
Receivables defined in high risk category by BRSA	--	--	--	4.040	--	12.838	1.161.439	3.821.074	144.185	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	528.204	23.722	--	5.143	--	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--	--
Other receivables	1.249.612	--	42	--	--	2.968.639	--	--	--	--

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**3. Summary information related to consolidated and unconsolidated capital adequacy ratio**

	Consolidated		The Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Capital Requirement for Credit Risk	5.789.675	5.388.446	4.412.061	4.117.912
Capital Requirement for Market Risk	88.669	88.256	109.441	117.124
Capital Requirement for Operational Risk	451.257	364.719	360.673	305.076
Equity(*)	9.952.874	8.857.147	8.545.669	7.283.249
Equity / (CRCR+CRMR+CROR)*12,5*100	12,58%	12,13%	14,00%	12,83%
Tier 1 Capital / (CRCR+CRMR+CROR)*12,5*100	8,19%	--	8,36%	--
Common Equity / (CRCR+CRMR+CROR)*12,5*100	8,34%	--	8,54%	--

CRCR: Capital Requirement for Credit Risk (Risk Weighted Assets \* 0,08)

CRMR: Capital Requirement for Market Risk

CROR: Capital Requirement for Operational Risk

(\*) Equity Calculation has changed due to official legislation on bank's equity settlements which has been valid from 1 January 2014. Previous periods instructions has calculated in the case of valid legislation.

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**4. Components of consolidated shareholders' equity**

	Current Period
<b>COMMON EQUITY</b>	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	905.264
Share premium	98.411
Share cancellation profits	--
Reserves	3.951.885
Gains recognized in equity as per TAS	322.802
Profit	1.678.176
Current Period Profit	505.162
Prior Period Profit	1.173.014
Provisions for Possible Risks	8.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	11
Minorities' Share	5.947
<b>Common Equity Before Deductions</b>	<b>6.970.496</b>
<b>Deductions from Common Equity</b>	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	241.298
Leasehold improvements (-)	99.742
Goodwill or other intangible assets and deferred tax liability related to these items (-)	29.284
Net deferred tax asset/liability (-)	--
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	--
Direct and indirect investments of the Bank in its own Common Equity (-)	--
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	--
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	--
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	--
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	--
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	--
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	--
Excess amount arising from mortgage servicing rights (-)	--
Excess amount arising from deferred tax assets based on temporary differences (-)	--
Other items to be defined by the BRSA (-)	--
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	--
<b>Total Deductions From Common Equity</b>	<b>370.324</b>
<b>Total Common Equity</b>	<b>6.600.172</b>
<b>ADDITIONAL TIER I CAPITAL</b>	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	--
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	--
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	--
Third parties' share in the Tier II Capital	--
<b>Additional Tier I Capital before Deductions</b>	<b>--</b>
<b>Deductions from Additional Tier I Capital</b>	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	--

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Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	--
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	--
Other items to be defined by the BRSA (-)	--
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-)	--
<b>Total Deductions From Additional Tier I Capital</b>	--
<b>Total Additional Tier I Capital</b>	--
<b>Deductions from Tier I Capital</b>	
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	117.136
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	--
<b>Total Tier I Capital</b>	<b>6.483.036</b>
<b>TIER IICAPITAL</b>	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	955.170
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1.840.611
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	--
General Loan Loss Provisions	709.788
Third parties' share in the Tier II Capital	--
<b>Tier II Capital Before Deductions</b>	<b>3.505.569</b>
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	--
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	--
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	--
Other items to be defined by the BRSA (-)	20.318
<b>Total Deductions from Tier II Capital</b>	<b>20.318</b>
<b>Total Tier II Capital</b>	<b>3.485.251</b>
<b>CAPITAL BEFORE DEDUCTIONS</b>	
Loans granted contrary to the 50th and 51th Article of the Law (-)	--
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	10.942
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	--
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	--
Other items to be defined by the BRSA (-)	4.471
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	--

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Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	--
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	--
<b>TOTAL CAPITAL</b>	<b>9.952.874</b>
Amounts below the Excess Limits as per the Deduction Principles	--
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	--
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	--
Amounts arising from mortgage servicing rights	--
Amounts arising from deferred tax assets based on temporary differences	190.852

(\*) Financial Period Equity has calculated due to official legislation on bank's equity settlements which has been valid from 1 January 2014 and published 28756 no. official gazette dated 5 September 2013.



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	Prior Period
<b>CORE CAPITAL</b>	
Paid-in Capital	716.100
Nominal Capital	716.100
Capital Commitments (-)	--
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	189.164
Share Premium	98.411
Share Cancellation Profit	--
Legal Reserves	3.915.830
Adjustment to Legal Reserves	--
Profit	1.600.173
Current Period Profit	1.011.230
Prior Periods' Profits	588.943
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	8.000
Gains on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Paid-in capital	306.054
Primary Subordinated Loans	--
Minority Interest	37.292
Losses that is not covered with reserves (-)	--
Net Current Period Loss	--
Prior Periods' Losses	--
Operating Lease Development Costs (-)	104.514
Intangible Assets (-)	163.063
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	--
Amount Excess of Article 56/3 of the Law (-)	--
Consolidation Goodwill (Net) (-)	--
<b>Total Core Capital</b>	<b>6.603.447</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General Reserves	700.374
45% of Increase in Revaluation Fund of Movable Fixed Assets	--
45% of Increase in Revaluation Fund of Properties	--
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control not Recognized in Profit	11
Primary Subordinated Loans Excluded from the Core Capital	--
Secondary Subordinated Loans	1.940.485
45% of Value Increase Fund of Financial Assets Available for Sale and Associates and Subsidiaries (100% if any impairment)	(350.515)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (except adjustment to legal reserves)	--
Minority Interest	--
<b>Total Supplementary Capital</b>	<b>2.290.355</b>
<b>CAPITAL</b>	<b>8.893.802</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>36.655</b>
Shares in Unconsolidated Banks and Financial Institutions	--
BSecondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	--
Shares in Banks and Financial Institutions Accounted for under the Equity Method	--
Loans Granted in Violation of the Articles 50 and 51 of the Law	--
Amount in Excess of 50% of the Equities of the Net Book Value of the Properties of the Banks, and Net Book Value of the Assets Held for Resale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years after Foreclosure	33.837
Securitization Positions - Adopting the Method of Deducting from Equity	--
Others	2.818
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8.857.147</b>

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**5. Details on calculation in accordance with the temporary calculations on equity**

	Consolidated		The Parent Bank	
	Amount to be considered in equity calculation in current period	Total	Amount to be considered in equity calculation in current period	Total
Minority shares in Common Equity Tier 1 Capital	5.947	5.947	--	--
Third parties in Additional Tier 1 Capital	--	--	--	--
Third parties in Tier 2 Capital	--	--	--	--
Bank's borrowing instruments and related premium (issued before 1.1.2014 )	1.840.611	1.840.611	1.840.611	1.840.611

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#### Information on debt instruments included in the calculation of equity

Issuer	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	DEXIA CREDIT LOCAL PARIS	DEXIA CREDIT LOCAL PARIS	DEXIA CREDIT LOCAL PARIS	DEXIA CREDIT LOCAL PARIS
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans
Governing law(s) of the instrument	"Regulations on Banks' Equity" dated 5 September 2013.	"Regulations on Banks' Equity" dated 5 September 2013.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.	"Regulations on Banks' Equity" dated 1 November 2006.
<b>Regulatory treatment</b>								
Subject to 10% deduction as of 1/1/2015	Not Deducted	Not Deducted	Deducted	Deducted	Deducted	Deducted	Deducted	Deducted
Eligible at solo/group/group&solo	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Instrument type	Loan	Loan	Loan	Loan	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in mill, as of most recent reporting date)	318	637	637	637	255	166	42	104
Par value of instrument	318	637	637	637	424	276	106	261
Accounting classification	3470102	3470102	3470102	3470102	3470102	3470102	3470102	3470102
Original date of issuance	30.04.2014	31.01.2014	30.09.2013	28.06.2013	27.02.2008	27.09.2007	28.06.2007	28.12.2006
Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
Original maturity date	10 yıl	10 yıl	10 yıl	10 yıl	10 yıl	10 yıl	10 yıl	10 yıl
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.
Subsequent call dates, if applicable	None	None	None	None	None	None	None	None
<b>Coupons/Dividends*</b>								
Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Floating	Floating	Floating	Floating
Coupon rate and any related index	First five year 7.93%, after yrs +6.12	7.5%	7.49%	6.10%	Libor + %2.90	Libor + %2.10	Libor + %2.10	Euribor + %2.5
Existence of a dividend stopper	None	None	None	None	None	None	None	None
Fully discretionary, partially discretionary or mandatory	--	--	--	--	--	--	--	--
Existence of step up or other incentive to redeem	None	None	None	None	None	None	None	None
Noncumulative or cumulative	--	--	--	--	--	--	--	--
<b>Convertible or non-convertible</b>								
If convertible, conversion trigger (s)	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be	None	None	None	None	None	None
If convertible, fully or partially	Convertible fully.	Convertible fully.	--	--	--	--	--	--
If convertible, conversion rate	--	--	--	--	--	--	--	--
If convertible, mandatory or optional conversion	--	--	--	--	--	--	--	--
If convertible, specify instrument type convertible into	--	--	--	--	--	--	--	--
If convertible, specify issuer of instrument it converts into	--	--	--	--	--	--	--	--
<b>Write-down feature</b>								
If write-down, write-down trigger(s)	None.	None.	None.	None.	None.	None.	None.	None.
If write-down, full or partial	--	--	--	--	--	--	--	--
If write-down, permanent or temporary	--	--	--	--	--	--	--	--
If temporary write-down, description of write-up mechanism	--	--	--	--	--	--	--	--
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Sahibine alacak hakkını hisse senetlerinden ve birincil sermaye benzeri borçlardan bir önce, diğer tüm borçlardan sonra vermektedir.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possessed for Article 8.	Possessed for Article 8.	Not Possessed.	Not Possessed.	Not Possessed.	Not Possessed.	Not Possessed.	Not Possessed.
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	--	--	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)

**6. Approaches for assessment of adequacy of internal capital requirements for current and future activities**

The Parent Bank's assessment process of adequacy of internal capital requirements and capital adequacy policies was prepared in accordance with the strategic plan which is yearly conducted and regard the instant and next three years. This assessment includes the interest rate risk, liquidity risk, reputational risk, residual risk, concentration risk, strategy risk, and country and transfer risks arising from Banking activities besides the market, credit and operational risks directly affecting its legal capital adequacy ratio. The assessment methodology of internal capital requirements is a developing process, accordingly the future improvement areas are determined and the working plans are set.

## II. Explanations related to the consolidated market risk

Whether the group within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

The Parent Bank has defined its risk management procedures and has taken necessary precautions in order to avoid market risks, in compliance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks”. As the main precaution against being exposed to market risk, the Parent Bank’s Board of Directors identifies risk limits determined in the context of economic capital.

Standard method and the internal risk measurement model are used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis. Internal risk measurement model is applied on a daily basis.

Under the standard method, the measurements are made over the “trading book” as per the statutory accounting and reporting classification.

### 1. Market risk

	Current Period
(I) Capital Obligation against General Market Risk - Standard Method	14.145
(II) Capital Obligation against Specific Risk - Standard Method	509
Capital Obligation against Specific Risk of Securitization Positions- Standard Method	--
(III) Capital Obligation against Currency Risk - Standard Method	45.243
(IV) Capital Obligation against Commodity Risk - Standard Method	565
(V) Capital Obligation against Clearing Risk - Standard Method	--
(VI) Capital Obligation against Options Subject to Market Risk - Standard Method	173
(VII) Capital Obligation against Counterparty Credit Risk - Standard Method	28.034
(VIII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	--
<b>(IX) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI+VII)</b>	<b>88.669</b>
<b>(X) (X) Value-At-Market-Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>1.108.363</b>

### **III. Explanations related to the consolidated foreign currency exchange rate risk**

#### **1. Foreign exchange risk the Group is exposed to, related estimations, and the limits set by the Board of Directors of the Parent Bank for positions which are monitored daily**

Foreign currency exchange and parity risks are taken by DFS Group within defined value at risk limits. Measurable and manageable risks are taken within legal limits.

Foreign currency exchange rate risk is monitored along with potential evaluation differences in foreign currency transactions in accordance with "Regulation on Bank's Internal Control and Risk Management Systems". Value at Risk approach is used to measure the exchange rate risk and calculations are made on a daily basis.

Based on general economic environment and market conditions the Parent Bank's Board of Directors reviews the risk limits daily and makes changes where necessary.

#### **2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives**

In accordance with TAS 39, DFS Group applies net investment hedge accounting to avoid foreign currency exchange rate risk arising from retranslation of its foreign investments in its consolidated financial statements.

Informations relating to investment hedge to avoid foreign currency exchange rate risk arising from retranslation of its foreign investments are explained in Note 10.10.2 from Section Five.

#### **3. Foreign exchange risk management strategy**

Foreign currency exchange and parity risks are taken by DFS Group within defined value at risk limits. Measurable and manageable risks are taken within legal limits.

#### **4. The Parent Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date**

US Dollar purchase rate as at the balance sheet date	TL 2,1226
Euro purchase rate as at the balance sheet date	TL 2,8979

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
24 June 2014	2,1312	2,9024
25 June 2014	2,1384	2,9104
26 June 2014	2,1292	2,8992
27 June 2014	2,1234	2,8919
30 June 2014	2,1226	2,8979

#### **5. The basic arithmetical average of the Parent Bank's foreign exchange bid rate for the last thirty days prior to the balance sheet date**

The arithmetical average US Dollar and Euro purchase rates for June 2014 are TL 2,1164 and TL 2,8778, respectively.

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**6. Information on currency risk**

Current Period	EUR	USD	Other FC <sup>(5)</sup>	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2.695.242	3.514.847	1.492.733	7.702.822
Due from Banks and Other Financial Institutions	2.731.664	377.599	62.257	3.171.520
Financial Assets at Fair Value Through Profit or Loss <sup>(1)</sup>	33.879	33.891	175	67.945
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	1.348.533	283.025	194.300	1.825.858
Loans <sup>(2)</sup>	8.129.477	15.968.399	518.707	24.616.583
Investments in Subsidiaries and Associates	29	--	--	29
Investment Securities Held-to-Maturity	137.389	272.512	--	409.901
Hedging Purpose Financial Derivatives	--	--	--	--
Tangible Assets	15.453	74	1.204	16.731
Intangible Assets <sup>(3)</sup>	--	--	--	--
Other Assets <sup>(4)</sup>	1.046.629	837.147	420.685	2.304.461
<b>Total Assets</b>	<b>16.138.295</b>	<b>21.287.494</b>	<b>2.690.061</b>	<b>40.115.850</b>
<b>Liabilities</b>				
Bank Deposits	892.210	668.171	1.168.651	2.729.032
Foreign Currency Deposits	18.636.294	11.780.766	677.586	31.094.646
Interbank Money Markets	--	--	131.965	131.965
Funds Borrowed from Other Financial Institutions	4.747.837	7.923.526	445	12.671.808
Marketable Securities Issued	--	--	--	--
Miscellaneous Payables	271.968	104.586	1.664	378.218
Hedging Purpose Financial Derivatives	--	--	--	--
Other Liabilities <sup>(6)</sup>	512.256	827.875	3.472	1.343.603
<b>Total Liabilities</b>	<b>25.060.565</b>	<b>21.304.924</b>	<b>1.983.783</b>	<b>48.349.272</b>
<b>Net "On Balance Sheet Position"</b>	<b>(8.922.270)</b>	<b>(17.430)</b>	<b>706.278</b>	<b>(8.233.422)</b>
<b>Net "Off-Balance Sheet Position"<sup>(7)</sup></b>	<b>9.495.767</b>	<b>428.583</b>	<b>(539.916)</b>	<b>9.384.434</b>
Financial Derivatives (Assets)	13.504.110	20.205.780	937.526	34.647.416
Financial Derivatives (Liabilities)	4.008.343	19.777.197	1.477.442	25.262.982
<b>Net Position</b>	<b>573.497</b>	<b>411.153</b>	<b>166.362</b>	<b>1.151.012</b>
Non-Cash Loans	3.195.261	8.607.913	266.877	12.070.051
<b>Prior Period</b>				
Total Assets	14.683.548	20.728.596	1.910.455	37.322.599
Total Liabilities	21.794.725	19.947.796	1.873.742	43.616.263
<b>Net "On Balance Sheet Position"</b>	<b>(7.111.177)</b>	<b>780.800</b>	<b>36.713</b>	<b>(6.293.664)</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>7.354.726</b>	<b>(380.046)</b>	<b>117.916</b>	<b>7.092.596</b>
Financial Derivatives (Assets)	11.245.208	15.521.031	1.075.187	27.841.426
Financial Derivatives (Liabilities)	3.890.482	15.901.077	957.271	20.748.830
<b>Net Position</b>	<b>243.549</b>	<b>400.754</b>	<b>154.629</b>	<b>798.932</b>
Non-Cash Loans	3.269.264	8.261.592	288.317	11.819.173

(1) : Foreign currency differences of derivative assets amounting to TL 558.007 are excluded.

(2) : Foreign currency indexed loans amounting to TL 2.718.361 are included.

(3) : Intangible assets amounting to TL 4.996 are excluded.

(4) : Prepaid Expenses amounting to TL 258.893 are excluded.

(5) : There are gold amounts in total assets amounting to TL 2.132.261 and in total liabilities amounting to TL 1.623.750.

(6) : Foreign currency differences of equities amounting to TL 1.333.901 and derivative liabilities amounting to TL 177.512 are excluded

(7) : Net amount of Receivables and Liabilities from financial derivatives is shown on the table. SWAP FX Transactions that reported under the "Financial Assets Purchase Pledges" is included in "Net Off-Balance Sheet Position".

**IV. Explanations related to the consolidated interest rate risk**

**1. Interest rate sensitivity of the assets, liabilities and off-balance sheet items**

Standard method is used in measuring the interest rate risk of assets, liabilities and off-balance sheet items.

**2. The expected effects of the fluctuations of market interest rates on the Group's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates**

The Parent Bank relies on sensitivity in determining limits against negative market conditions and monitors the risk within this context. Sensitivity calculations are made and limits are monitored on a weekly basis.

Market interest rates are monitored daily and interest rates are revised where necessary.



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**3. The precautions taken for the interest rate risk the Group was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods**

The Group uses sensitivity analysis, historical stress-testing and value at risk methods to analyze and take precautions against interest rate risk faced during current period. Interest sensitivity limits have been defined and limits are being monitored on a weekly basis.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	8.583.796	8.583.796
Due from Banks and Other Fin. Inst.	2.274.578	179.838	326.891	166.855	--	442.625	3.390.787
Financial Assets at Fair Value Through Profit or Loss	117.626	33.987	225.036	372.853	76.427	35.025	860.954
Interbank Money Market Placements	575.342	--	--	--	--	--	575.342
Investment Securities Av.-for-Sale	94.768	1.222.617	3.171.197	956.832	728.096	4.104	6.177.614
Loans	14.602.815	4.312.668	6.344.021	18.872.904	12.162.035	485.551	56.779.994
Investment Securities Held-to-Mat.	1.413.757	247.569	321.278	405.162	685.205	--	3.072.971
Other Assets (*)	535.677	817.335	392.207	1.459.057	340.014	2.498.759	6.043.049
<b>Total Assets</b>	<b>19.614.563</b>	<b>6.814.014</b>	<b>10.780.630</b>	<b>22.233.663</b>	<b>13.991.777</b>	<b>12.049.860</b>	<b>85.484.507</b>
<b>Liabilities</b>							
Bank Deposits	870.684	732.433	1.027.558	--	--	322.198	2.952.873
Other Deposits	21.776.632	6.328.144	6.331.345	6.624.865	154.616	11.546.672	52.762.274
Interbank Money Market Placements	498.864	--	--	--	--	--	498.864
Miscellaneous Payables	--	280	430	1.171	--	1.323.133	1.325.014
Marketable Securities Issued	285.529	711.724	572.927	577.640	--	--	2.147.820
Funds Borrowed from Other Fin. Inst.	2.221.405	2.847.149	5.280.858	1.351.788	3.354.100	--	15.055.300
Other Liabilities (**)	250.415	279.858	752.269	197.691	69.990	9.192.139	10.742.362
<b>Total Liabilities</b>	<b>25.903.529</b>	<b>10.899.588</b>	<b>13.965.387</b>	<b>8.753.155</b>	<b>3.578.706</b>	<b>22.384.142</b>	<b>85.484.507</b>
On Balance Sheet Long Position	--	--	--	13.480.508	10.413.071	--	23.893.579
On Balance Sheet Short Position	(6.288.966)	(4.085.574)	(3.184.757)	--	--	(10.334.282)	(23.893.579)
Off-Balance Sheet Long Position	1.766.615	3.791.664	1.434.984	4.697.127	735.969	--	12.426.359
Off-Balance Sheet Short Position	(516.750)	(5.006.234)	(2.724.033)	(3.053.494)	(651.489)	--	(11.952.000)
<b>Total Interest Sensitivity Gap</b>	<b>(5.039.101)</b>	<b>(5.300.144)</b>	<b>(4.473.806)</b>	<b>15.124.141</b>	<b>10.497.551</b>	<b>(10.334.282)</b>	<b>474.359</b>

(\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investment Properties, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL , TL 413.653, TL 146.420, TL 126.857, TL 12.893, TL 111.642, TL 5.678, TL 105.203 and TL 1.576.413 respectively.

(\*\*) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions, and Other Liabilities with balances of TL 6.709.767, TL 201.168, TL 980.924, and TL 1.300.280 respectively.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	8.815.044	8.815.044
Due from Banks and Other Fin. Inst.	1.606.629	47.235	179.248	133.559	13.938	596.364	2.576.973
Financial Assets at Fair Value Through Profit or Loss	197.764	58.815	252.755	514.377	23.441	87.508	1.134.660
Interbank Money Market Placements	1.290.942	--	--	--	--	--	1.290.942
Investment Securities Av.-for-Sale	99.286	1.172.436	2.352.788	799.725	494.611	4.104	4.922.950
Loans	7.840.108	4.707.569	6.213.662	19.316.646	14.260.316	438.482	52.776.783
Investment Securities Held-to-Mat.	1.345.097	251.468	293.528	100.941	580.428	--	2.571.462
Other Assets (*)	441.456	641.335	887.887	1.395.822	323.314	1.889.164	5.578.978
<b>Total Assets</b>	<b>12.821.282</b>	<b>6.878.858</b>	<b>10.179.868</b>	<b>22.261.070</b>	<b>15.696.048</b>	<b>11.830.666</b>	<b>79.667.792</b>
<b>Liabilities</b>							
Bank Deposits	782.667	808.405	40.612	856.228	--	266.324	2.754.236
Other Deposits	22.738.202	5.700.339	4.693.792	5.831.982	127.023	10.610.956	49.702.294
Interbank Money Market Placements	761.305	--	--	--	--	--	761.305
Miscellaneous Payables	9.463	27	24.854	--	--	1.468.317	1.502.661
Marketable Securities Issued	244.318	569.233	157.493	649.089	--	--	1.620.133
Funds Borrowed from Other Fin. Inst.	2.184.777	2.194.269	5.276.613	1.540.541	2.142.436	--	13.338.636
Other Liabilities (**)	290.884	282.534	1.104.854	171.427	17.846	8.120.982	9.988.527
<b>Total Liabilities</b>	<b>27.011.616</b>	<b>9.554.807</b>	<b>11.298.218</b>	<b>9.049.267</b>	<b>2.287.305</b>	<b>20.466.579</b>	<b>79.667.792</b>
On Balance Sheet Long Position	--	--	--	13.211.803	13.408.743	--	26.620.546
On Balance Sheet Short Position	(14.190.334)	(2.675.949)	(1.118.350)	--	--	(8.635.913)	(26.620.546)
Off-Balance Sheet Long Position	996.502	3.643.802	1.277.341	1.465.797	--	--	7.383.442
Off-Balance Sheet Short Position	(386.722)	(1.467.719)	(1.460.984)	(3.620.960)	--	--	(6.936.385)
<b>Total Interest Sensitivity Gap</b>	<b>(13.580.554)</b>	<b>(499.866)</b>	<b>(1.301.993)</b>	<b>11.056.640</b>	<b>13.408.743</b>	<b>(8.635.913)</b>	<b>447.057</b>

(\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investment Properties, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL 409.454, TL 163.063, TL 119.573, TL 12.878, TL 164.353, TL , 5.678, TL 129.500, and TL 884.665 respectively.

(\*\*) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions, and Other Liabilities with balances of TL 6.088.369, TL 141.782, TL 1.002.696, and TL 888.135 respectively.

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**4. Average interest rates applied to monetary financial instruments**

	EUR	USD	JPY	TL
	%	%	%	%
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	0,40	2,04	--	8,92
Financial Assets at Fair Value Through Profit or Loss	2,89	6,23	--	8,46
Interbank Money Market Placements	--	--	--	10,19
Investment Securities Available-for-Sale	3,55	5,40	--	9,17
Investment Securities Available-for-Sale	5,61	5,38	5,30	12,40
Investment Securities Held-to-Maturity	4,26	4,36	--	10,63
<b>Liabilities</b>				
Bank Deposits	0,18	1,29	--	10,38
Other Deposits	2,03	2,58	0,10	10,36
Interbank Money Market Placements	--	--	--	8,75
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	9,82
Funds Borrowed from Other Financial Institutions	1,01	3,37	--	9,36
<b>Prior Period</b>				
	%	%	%	%
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	0,34	1,95	--	7,65
Financial Assets at Fair Value Through Profit or Loss	4,79	4,86	--	10,26
Interbank Money Market Placements	--	--	--	7,74
Investment Securities Available-for-Sale	1,53	4,56	--	7,79
Investment Securities Available-for-Sale	5,38	5,35	5,99	13,07
Investment Securities Held-to-Maturity	1,77	5,73	--	9,14
<b>Liabilities</b>				
Bank Deposits	0,31	0,90	--	8,93
Other Deposits	2,14	2,99	0,10	8,90
Interbank Money Market Placements	--	--	--	4,32
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	9,33
Funds Borrowed from Other Financial Institutions	1,22	2,76	--	4,16

**5. Interest rate risk on banking book**

**5.1 *Nature of interest rate risk resulted from banking book, major assumptions including also early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk***

Interest rate risk resulted from banking book is due to repricing maturity differences of assets and liabilities. Considering repricing maturities, average maturity of asset items is higher than the average maturity of liability items.

Interest risk is evaluated weekly considering size, developments at maturity structure and interest movements relating to asset and liability items. Interest risk exposed by the bank is managed centrally by the asset and liability committee and within the direction of decisions taken, the balance sheet interest sensitivity is aimed at minimum level and insured by interest based derivative contracts.

The effect of potential changes on interest rates to net present value is calculated within the scope of "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" and reported monthly.

Measurements performed with Standard Shock Method include all on and off balance sheet items in the "Banking Book" based on the classification as per the statutory accounting and reporting. Maturity assumption relating to demand deposits is overviewed yearly with analyses over at least five year data. By such analyses, the Bank gathers information on average duration of its demand deposits, and the amount and trend of deposit charge offs from different maturity brackets.

**5.2 *Economic value differences resulted from interest rate instabilities and prepared based on the Parent Bank's non-consolidated financial statements according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method***

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Board of Directors of the Parent Bank in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

The measurement process of interest rate risk resulting from the banking book is designed and managed by the Parent Bank on a bank-only basis to include the interest rate positions defined as banking book by Parent the Bank and to consider the relevant repricing and maturity data. Duration gaps, gaps by maturity brackets and sensitivity analysis are used in monitoring of repricing risk resulting from maturity mismatch. The duration gap and sensitivity analysis are carried out weekly. In the duration gap analysis, the present values of interest-rate-sensitive asset and liability items are calculated using yield curves developed from market interest rates.

In case of instruments with no maturities, the maturity is determined as per interest rate fixing periods and customer behaviors. Such results are supported by sensitivity and scenario analysis applied periodically for possible fluctuations in the markets.

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The interest rate risk arising from banking book can be seen on the table below in accordance with “Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method” as of 30 June 2014.

**Current Period**

	Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity - Losses/Equity
1	TL	(+) 500 bps	(1.440.523)	(16,86%)
2	TL	(-) 400 bps	1.439.274	16,84%
3	Euro	(+) 200 bps	(2.750)	(0,03%)
4	Euro	(-) 200 bps	16.693	0,20%
5	US Dollar	(+) 200 bps	246.302	2,88%
6	US Dollar	(-) 200 bps	(266.622)	(3,12%)
	<b>Total (of positive shocks)</b>		<b>(1.196.971)</b>	<b>(14,01%)</b>
	<b>Total (of negative shocks)</b>		<b>1.189.345</b>	<b>13,92%</b>

**Prior Period**

	Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity - Losses/Equity
1	TL	(+) 500 bps	(1.144.039)	(15,71%)
2	TL	(-) 400 bps	1.139.794	15,65%
3	Euro	(+) 200 bps	34.660	0,48%
4	Euro	(-) 200 bps	(22.751)	(0,31%)
5	US Dollar	(+) 200 bps	233.520	3,21%
6	US Dollar	(-) 200 bps	(276.819)	(3,80%)
	<b>Total (of positive shocks)</b>		<b>(875.859)</b>	<b>(12,03%)</b>
	<b>Total (of negative shocks)</b>		<b>840.224</b>	<b>11,54%</b>

**V. Position risk of equity shares on banking book**

**1. Comparison of carrying, fair and market values of equity shares**

DFS Group does not have associate and subsidiary traded at BIST markets as of 30 June 2014. (31 December 2013-None).

**2. Realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capital**

None. (31 December 2013-None).

**VI. Explanations related to the consolidated liquidity risk**

- 1. The sources of the current liquidity risk of Group; whether the necessary precautions have been taken, whether the Board of Directors of the Parent Bank sets limits on the funds available to meet the urgent liquidity requirements and the liabilities which are due**

Liquidity risk arises from maturity mismatch between assets and liabilities. Maturity mismatch between assets and liabilities is kept under control based on certain criteria set by DFS Group. DFS Group maintains liquid assets to guarantee sufficient liquidity during market fluctuations. In order to meet any urgent liquidity needs, approximately 5% of the balance sheet is allocated to cash and balances with banks, 6% to investment securities which are easily convertible into cash and the available borrowing limits are not used intensively. DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

- 2. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized**

Approximately 5% of balance sheet is allocated to cash balances, 6% to investment securities which are easily convertible into cash in order to meet any urgent liquidity needs. The available borrowing limits (such as Central Bank of the Republic of Turkey and BIST repurchase market) are not used. DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

- 3. Evaluation of Group's cash flows and their resources**

Cash flows of DFS Group are mainly in terms of Turkish Lira, US Dollar and Euro.

In the short and long run, liquidity needs or surplus funds are utilized in interbank money market placements, deposits and loans.

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**4. Presentation of assets and liabilities according to their residual maturities**

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undist. (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2.121.415	6.462.381	--	--	--	--	--	8.583.796
Due from Banks and Other Fin.Inst.	442.625	2.274.578	179.838	326.891	166.855	--	--	3.390.787
Financial Assets at Fair Value Through Profit or Loss	--	117.437	33.744	223.869	373.687	77.192	35.025	860.954
Interbank Money Market Placements	--	575.342	--	--	--	--	--	575.342
Investment Securities Av.-for-Sale	--	4.918	363.382	1.281.917	1.818.827	2.704.466	4.104	6.177.614
Loans	485.551	8.097.540	2.394.440	9.369.175	20.600.825	15.832.463	--	56.779.994
Investment Securities Held-to-Mat.	--	14.498	--	--	455.292	2.603.181	--	3.072.971
Other Assets	1.317.162	529.385	816.451	375.655	1.459.057	363.742	1.181.597	6.043.049
<b>Total Assets</b>	<b>4.366.753</b>	<b>18.076.079</b>	<b>3.787.855</b>	<b>11.577.507</b>	<b>24.874.543</b>	<b>21.581.044</b>	<b>1.220.726</b>	<b>85.484.507</b>
<b>Liabilities</b>								
Bank Deposits	322.198	870.684	732.433	1.027.558	--	--	--	2.952.873
Other Deposits	11.546.672	21.663.156	6.295.488	6.444.846	6.657.475	154.637	--	52.762.274
Funds Borrowed from Other Fin.Inst. and Subordinated Loans	--	1.784.853	884.901	5.229.642	3.406.767	3.749.137	--	15.055.300
Interbank Money Market Placements	--	498.864	--	--	--	--	--	498.864
Marketable Securities Issued	--	285.529	522.890	657.813	681.588	--	--	2.147.820
Miscellaneous Payables	1.323.133	--	280	430	1.171	--	--	1.325.014
Other Liabilities	1.288.605	342.315	365.500	752.269	197.691	69.990	7.725.992	10.742.362
<b>Total Liabilities</b>	<b>14.480.608</b>	<b>25.445.401</b>	<b>8.801.492</b>	<b>14.112.558</b>	<b>10.944.692</b>	<b>3.973.764</b>	<b>7.725.992</b>	<b>85.484.507</b>
<b>Net Liquidity Gap</b>	<b>(10.113.855)</b>	<b>(7.369.322)</b>	<b>(5.013.637)</b>	<b>(2.535.051)</b>	<b>13.929.851</b>	<b>17.607.280</b>	<b>(6.505.266)</b>	<b>--</b>
<b>Prior Period</b>								
Total Assets	4.524.853	16.761.844	3.702.547	11.158.313	23.833.796	18.470.368	1.216.071	79.667.792
Total Liabilities	13.227.179	26.260.669	8.090.978	11.348.129	11.119.629	2.492.851	7.128.357	79.667.792
<b>Net Liquidity Gap</b>	<b>(8.702.326)</b>	<b>(9.498.825)</b>	<b>(4.388.431)</b>	<b>(189.816)</b>	<b>12.714.167</b>	<b>15.977.517</b>	<b>(5.912.286)</b>	<b>--</b>

(\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short run such as tangible assets, investments in associates, joint ventures and subsidiaries, stationary supplies and prepaid expenses are included in this column.

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**VII. Securitization exposures**

None.

**VIII. Credit risk mitigation techniques**

The Parent Bank applies credit risk mitigation techniques according to the comprehensive financial guarantee method in compliance with the communique "Regulation on Credit Risk Mitigation Techniques".

Currency mismatch between receivables and collaterals, and the haircuts to be applied on collateral types are taken into account using the standard haircuts as defined in the Communique appendix; while the maturity mismatch between receivables and collaterals are handled by the method defined in the Article 49 of the Communique.

In the credit risk mitigation process, collaterals such as cash, deposit blockage and debt securities are taken into consideration. Physical collaterals are only used for determination of the risk classification according to commercial and residential mortgages. In calculation balance sheet and off-balance sheet component of netting are not taken into account.

Information about guaranties according to risk classifications;

**Current Period**

Risk classification	Amount (*)	Financial Guarantees	Other/Physical Guarantees	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	17.988.329	--	--	--
Conditional and unconditional receivables from regional or local governments	924.693	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	3	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	4.537.520	8	--	--
Conditional and unconditional receivables from corporates	55.816.802	2.695.141	--	--
Conditional and unconditional retail receivables	26.677.512	191.897	--	--
Conditional and unconditional receivables secured by mortgages	8.143.770	--	7.111.099	--
a) Receivables secured by residential mortgages	4.180.442	--	4.006.053	--
b) Receivables secured by commercial mortgages	3.963.328	--	3.105.046	--
Past due receivables	1.811.892	107	--	--
Receivables defined in high risk category by BRSA	5.288.362	45.933	--	--
Securities collateralized by mortgages	--	--	--	--
Securitization positions	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	--	--
Investments similar to collective investment funds	--	--	--	--
Other receivables	3.174.625	--	--	--
<b>Total</b>	<b>124.363.508</b>	<b>2.933.086</b>	<b>7.111.099</b>	<b>--</b>

(\*) Represents the risk figure before deduction of the haircut applied to collateral value.



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**Prior Period**

<b>Risk classification</b>	<b>Amount (*)</b>	<b>Financial Guarantees</b>	<b>Other/Physical Guarantees</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	15.032.337	--	--	--
Conditional and unconditional receivables from regional or local governments	894.154	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	3	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	1.121.817	124	--	--
Conditional and unconditional receivables from corporates	51.836.490	2.501.304	--	--
Conditional and unconditional retail receivables	24.066.631	164.395	--	--
Conditional and unconditional receivables secured by mortgages	7.614.067	--	6.636.038	--
a) Receivables secured by residential mortgages	3.953.400	--	3.838.871	--
b) Receivables secured by commercial mortgages	3.660.667	--	2.797.167	--
Past due receivables	1.550.957	54	--	--
Receivables defined in high risk category by BRSA	5.318.898	42.034	--	--
Securities collateralized by mortgages	--	--	--	--
Securitization positions	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	2.125.486	--	--	--
Investments similar to collective investment funds	--	--	--	--
Other receivables	2.661.800	--	--	--
<b>Total</b>	<b>112.222.640</b>	<b>2.707.911</b>	<b>6.636.038</b>	<b>--</b>

(\*) Represents the risk figure before deduction of the haircut applied to collateral value.

## **IX. Risk management objectives and policies**

The Risk Management Strategy is based on consistently monitoring risk levels and capital requirement and maintaining the balance between long and short term goals and capital structure. Risk politics, implementation methods and limits which provide opportunity to manage different dimensions of risks arising from activities, are the basis of risk management strategy. The Board of Directors owns the entire risk management strategy, programme and organization.

The Parent Bank organizes the relation between capital and risk levels with risk tolerance and limit mechanisms. While determining limits, current circumstances along with prospective problems are taken into account. Limit consistency is evaluated and confirmed by the Board of Directors. Audit committee is responsible for the monitoring of compliance with the risk management policies and risk limits specified by the Board of Directors and reporting respective measures to the Board of Directors. Executive units are responsible for following risks and limit consistency relating to their respective area of operations.

As per the risk policies accepted by the Parent Bank, risk management operations including risk measuring, monitoring, controlling and reporting are performed separately from executive units and reported directly to the Board of Directors. To design risk measurement models, parameters defined considering internationally recognized methods and conditions specific to active markets, are used. In order to insure adaptation of risk politics and risk measurement models to changing conditions, regular reviews are carried out. Limit usages within risk management activities are closely monitoring and reporting.

Strategic and tactic bank targets should be consistent with limits identified as part of risk policies. The Parent Bank applies credit risk mitigation techniques for various risk factors for the purposes of compliance with the Parent Bank's internal and legal limits and taking precautions in the direction of economic developments and new regulations. Efficiency and competence of protection provided by risk reduction instruments are being followed through risk measurements.

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**X. Explanations related to the consolidated segment reporting**

DFS Group is active in three areas, namely, wholesale banking, retail banking, treasury and investment banking.

Wholesale banking offers financial and banking solutions to large-scale local and international corporate and commercial customers. In order to meet customer needs related to projects, investment and working capital, corporate banking offers short and long-term working capital loans, investment loans, non-cash loans, foreign exchange transactions, export finance, project finance, structured finance, corporate finance, deposit products and cash management services.

In retail banking, it offers loan products (consumer loans, mortgage, and vehicle loans), distinctive credit cards, investment products (mutual funds, shares, government bonds/treasury bills, and repos), deposit products (time, demand, protected), insurance products, SME loans as well as agricultural loans. Alternative distribution channels allow customers to meet their banking needs without the need to physically visit the branches. Among products that meet every day needs of customers are overdraft loans, automated bill payment, checkbooks and rental safes.

Within treasury and investment banking, sales, prop-trading and private banking departments offer spot and forward TL and foreign exchange transactions, trading of treasury bills, bonds and other local and international securities and derivative products. Servicing the upper segment of wealthy and high income retail customers who require sophisticated banking and investment services falls within the scope of private banking.

Segment information of the Group as of 30 June 2014 is presented in the following table:

Current Period (01.01.2014-30.06.2014)	Wholesale Banking		Retail Banking			Total
	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury & Investment Banking	
Net interest income	301.424	365.144	411.428	307.568	292.121	1.677.685
Net fee and commission income	42.236	47.095	147.868	254.698	(8.894)	483.003
Other income/expense, net	55.030	97.359	78.366	95.795	(297.272)	29.278
<b>Total segment income</b>	<b>398.690</b>	<b>509.598</b>	<b>637.662</b>	<b>658.061</b>	<b>(14.045)</b>	<b>2.189.966</b>
Other operating expenses	(89.414)	(149.371)	(378.484)	(499.087)	(25.800)	(1.142.156)
Provision for loan losses and other receivables	(21.880)	(37.963)	(123.621)	(211.966)	(13.294)	(408.724)
Tax charge						(133.113)
<b>Net profit from continuing operations</b>	<b>287.396</b>	<b>322.264</b>	<b>135.557</b>	<b>(52.992)</b>	<b>(53.139)</b>	<b>505.973</b>
Net profit from discontinued operations	--	--	--	--	--	--
<b>Net profit</b>	<b>287.396</b>	<b>322.264</b>	<b>135.557</b>	<b>(52.992)</b>	<b>(53.139)</b>	<b>505.973</b>
<b>Current Period (30.06.2014)</b>						
Segment assets	14.839.328	18.089.355	13.171.147	14.223.872	22.661.463	82.985.165
Subsidiaries and associates						18.571
Undistributed assets						2.480.771
<b>Total assets</b>						<b>85.484.507</b>
Segment liabilities	8.216.761	8.006.157	7.629.999	29.907.695	21.083.034	74.843.646
Undistributed liabilities						3.931.094
Shareholders' equity						6.709.767
<b>Total liabilities</b>						<b>85.484.507</b>

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Prior Period (01.01.2013-30.06.2013)	Wholesale Banking		Retail Banking			Total
	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury & Investment Banking	
Net interest income	212.379	264.888	444.223	416.753	218.519	1.556.762
Net fee and commission income	28.033	44.724	116.058	170.517	(6.764)	352.568
Other income/expense, net	34.967	39.660	60.830	66.042	172.274	373.773
<b>Total segment income</b>	<b>275.379</b>	<b>349.272</b>	<b>621.111</b>	<b>653.312</b>	<b>384.029</b>	<b>2.283.103</b>
Other operating expenses	(63.110)	(114.264)	(322.124)	(358.179)	(41.385)	(899.062)
Provision for loan losses and other receivables	(78.294)	(113.760)	(143.089)	(225.845)	(7.064)	(568.052)
Tax charge						(181.362)
<b>Net profit from continuing operations</b>	<b>133.975</b>	<b>121.248</b>	<b>155.898</b>	<b>69.288</b>	<b>335.580</b>	<b>634.627</b>
Net profit from discontinued operations	--	--	--	--	--	--
<b>Net profit</b>	<b>133.975</b>	<b>121.248</b>	<b>155.898</b>	<b>69.288</b>	<b>335.580</b>	<b>634.627</b>
<b>Prior Period (31.12.2013)</b>						
Segment assets	13.013.072	18.315.171	11.279.073	13.859.052	21.312.031	77.778.399
Subsidiaries and associates						18.556
Undistributed assets						1.870.837
<b>Total assets</b>						<b>79.667.792</b>
Segment liabilities	8.263.628	8.581.457	7.158.614	26.699.843	18.930.584	69.634.126
Undistributed liabilities						3.945.297
Shareholders' equity						6.088.369
<b>Total liabilities</b>						<b>79.667.792</b>

## **SECTION FIVE**

### **DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS**

#### **I. Explanations and disclosures related to consolidated assets**

##### **1. Information on cash and balances with the Central Bank of the Republic of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	554.353	557.863	482.621	777.426
Central Bank of the Republic of Turkey	326.593	7.144.942	788.303	6.766.616
Other (*)	28	17	--	78
<b>Total</b>	<b>880.974</b>	<b>7.702.822</b>	<b>1.270.924</b>	<b>7.544.120</b>

(\*) Includes TL 45 of cheques purchased (31 December 2013: TL 78).

##### **1.1 Information on balances with the Central Bank of the Republic of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	326.593	682.561	788.303	676.873
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	6.462.381	--	6.089.743
<b>Total</b>	<b>326.593</b>	<b>7.144.942</b>	<b>788.303</b>	<b>6.766.616</b>

Consolidated foreign subsidiaries include balances of Central Bank.

##### **1.2 Information on Central Bank of the Republic of Turkey**

As of 30 June 2014, all banks operating in Turkey should provide a reserve in a range of 5% to 11,5% (31 December 2013: between 5% and 11,5 %) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 6% to 13% (31 December 2013: between 6% and 13%) in US Dollars, standard gold or Euro for their liabilities in foreign currencies.

#### **2. Information on financial assets at fair value through profit or loss**

##### **2.1 Information on trading securities given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	6.642	909	8.646	835
Other	--	--	--	--
<b>Total</b>	<b>6.642</b>	<b>909</b>	<b>8.646</b>	<b>835</b>

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**2.2 Trading securities subject to repurchase agreements**

None. (31 December 2013:None).

**2.3 Positive value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	20.083	4.658	9.386	63.386
Swap Transactions	116.932	570.364	140.967	656.638
Futures Transactions	--	--	--	--
Options	2.754	44.769	4.609	153.133
Other	--	--	--	--
<b>Total</b>	<b>139.769</b>	<b>619.791</b>	<b>154.962</b>	<b>873.157</b>

**3. Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	206.686	1.348.401	210.633	565.675
Foreign	12.581	1.823.119	12.457	1.788.208
Foreign head offices and branches	--	--	--	--
<b>Total</b>	<b>219.267</b>	<b>3.171.520</b>	<b>223.090</b>	<b>2.353.883</b>

**4. Information on investment securities available-for-sale**

**4.1 Major types of investment securities available-for-sale**

Investment securities available-for-sale consist of share certificates, debt securities representing government bonds, Eurobonds and foreign currency government bonds issued by the Turkish Treasury and foreign private sector debt securities.

**4.2 Investment securities available-for-sale given as collateral**

Consist of collaterals given to the Central Bank of the Republic of Turkey, Istanbul Clearing and Custody Bank (Takasbank), and European Central Bank for liquidity, interbank money market, foreign exchange market, debt transactions and other transactions. Investment securities available-for-sale given as collaterals are government bonds and Eurobonds with carrying value of TL 1.214.746 (31 December 2013: TL 1.036.893).

**4.3 Investment securities available-for-sale given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	--	--	--	--
T-bills, Bonds and Similar Securities	312.603	902.143	122.577	914.316
Other	--	--	--	--
<b>Total</b>	<b>312.603</b>	<b>902.143</b>	<b>122.577</b>	<b>914.316</b>

**4.4 Investment securities available-for-sale subject to repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	33.946	--	468.683	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	55.888	--	31.250
Asset Backed Securities	--	--	--	--
Other	--	87.157	--	46.682
<b>Total</b>	<b>33.946</b>	<b>143.045</b>	<b>468.683</b>	<b>77.932</b>

**4.5 Information on available-for-sale securities**

	Current Period	Prior Period
Debt instruments	6.252.112	5.130.450
Quoted on Stock Exchange	6.252.112	5.130.450
Unquoted on Stock Exchange	--	--
Share certificates	4.104	4.104
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	4.104	4.104
Impairment provision (-)	78.602	211.604
<b>Total</b>	<b>6.177.614</b>	<b>4.922.950</b>

**5. Information related to loans**

**5.1 Information on all types of loans and advances given to shareholders and employees of the Bank**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	11.519	60.563	--	--
Loans Granted to Employees	56.960	82	53.244	4
<b>Total</b>	<b>68.479</b>	<b>60.645</b>	<b>53.244</b>	<b>4</b>

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**5.2 Information on loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled**

Current Period	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Agreement conditions modified		Loans and Other Receivables (Total)	Agreement conditions modified	
		Extension of Payment Plan	Other		Extension of Payment Plan	Other
<b>Cash Loans</b>						
<b>Non-specialized Loans</b>	<b>50.350.565</b>	<b>388.173</b>	--	<b>2.286.853</b>	<b>1.010.122</b>	--
Working Capital Loans	15.892.562	18.237	--	223.629	220.642	--
Export Loans	1.221.186	--	--	8.399	1.407	--
Import Loans	--	--	--	--	--	--
Loans Given to Financial Sector	395.551	--	--	7.872	7.872	--
Consumer Loans	9.705.056	67.912	--	1.059.612	289.374	--
Credit Cards	3.970.589	303	--	134.121	618	--
Other	19.165.621	301.721	--	853.220	490.209	--
<b>Specialization Loans</b>	<b>3.477.154</b>	<b>12.066</b>	--	<b>131.963</b>	<b>50.829</b>	--
<b>Other Receivables</b>	--	--	--	--	--	--
<b>Total</b>	<b>53.827.719</b>	<b>400.239</b>	--	<b>2.418.816</b>	<b>1.060.951</b>	--

Number of modifications made to extend payment plan	Performing Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Extended by 1 or 2 times	400.163	896.807
Extended by 3,4 or 5 times	76	164.144
Extended by more than 5 times	--	--
<b>Total</b>	<b>400.239</b>	<b>1.060.951</b>

Extended period of time	Performing Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0-6 Months	4.176	1.505
6-12 Months	5.212	24.438
1-2 Years	10.657	180.737
2-5 Years	118.823	412.207
5 Year and Over	261.371	442.064
<b>Total</b>	<b>400.239</b>	<b>1.060.951</b>



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**5.3 Information on consumer loans, individual credit cards and personnel credit cards**

	Short Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>195.222</b>	<b>9.971.325</b>	<b>10.166.547</b>
Real estate Loans	2.868	4.249.870	4.252.738
Vehicle Loans	3.262	560.920	564.182
General Purpose Loans	185.858	5.160.535	5.346.393
Other	3.234	--	3.234
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>98.554</b>	<b>98.554</b>
Real estate Loans	--	97.015	97.015
Vehicle Loans	--	--	--
General Purpose Loans	--	1.539	1.539
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>256</b>	<b>43.961</b>	<b>44.217</b>
Real estate Loans	--	14.486	14.486
Vehicle Loans	--	--	--
General Purpose Loans	--	28.654	28.654
Other	256	821	1.077
<b>Individual Credit Cards-TL</b>	<b>3.570.044</b>	<b>260.608</b>	<b>3.830.652</b>
Installment	1.340.610	260.608	1.601.218
Non installment	2.229.434	--	2.229.434
<b>Individual Credit Cards-FC</b>	<b>1.016</b>	<b>--</b>	<b>1.016</b>
Installment	110	--	110
Non installment	906	--	906
<b>Loans Given to Employees-TL</b>	<b>3.291</b>	<b>28.819</b>	<b>32.110</b>
Real estate Loans	--	2.760	2.760
Vehicle Loans	--	267	267
General Purpose Loans	3.291	25.792	29.083
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>12</b>	<b>430</b>	<b>442</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	38	38
Other	12	392	404
<b>Personnel Credit Cards - TL</b>	<b>22.289</b>	<b>288</b>	<b>22.577</b>
Installment	8.601	288	8.889
Non installment	13.688	--	13.688
<b>Personnel Credit Cards - FC</b>	<b>32</b>	<b>--</b>	<b>32</b>
Installment	8	--	8
Non installment	24	--	24
<b>Overdraft Loans-TL (Real Persons) (*)</b>	<b>422.254</b>	<b>--</b>	<b>422.254</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>544</b>	<b>--</b>	<b>544</b>
<b>Total</b>	<b>4.214.960</b>	<b>10.403.985</b>	<b>14.618.945</b>

(\*) Overdrafts used by the personnel of the Parent Bank are TL 1.799 (31 December 2013: TL 1.512).

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**5.4 Information on installment commercial loans and corporate credit cards**

	Short Term	Medium or Long Term	Total
<b>Installment Commercial Loans - TL</b>	<b>309.978</b>	<b>4.301.924</b>	<b>4.611.902</b>
Real estate Loans	391	185.573	185.964
Vehicle Loans	5.884	362.572	368.456
General Purpose Loans	303.437	3.546.856	3.850.293
Other	266	206.923	207.189
<b>Installment Commercial Loans - Indexed to FC</b>	<b>18.405</b>	<b>851.293</b>	<b>869.698</b>
Real estate Loans	--	24.264	24.264
Vehicle Loans	193	64.709	64.902
General Purpose Loans	18.212	656.691	674.903
Other	--	105.629	105.629
<b>Installment Commercial Loans - FC</b>	<b>461.715</b>	<b>112.702</b>	<b>574.417</b>
Real estate Loans	--	--	--
Vehicle Loans	--	83	83
General Purpose Loans	640	4.424	5.064
Other	461.075	108.195	569.270
<b>Corporate Credit Cards - TL</b>	<b>239.167</b>	<b>10.891</b>	<b>250.058</b>
Installment	93.047	10.891	103.938
Non installment	146.120	--	146.120
<b>Corporate Credit Cards - FC</b>	<b>375</b>	<b>--</b>	<b>375</b>
Installment	3	--	3
Non installment	372	--	372
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>632.324</b>	<b>--</b>	<b>632.324</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>1.661.964</b>	<b>5.276.810</b>	<b>6.938.774</b>

**5.5 Domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	54.413.225	50.229.542
Foreign Loans	1.833.310	2.108.759
<b>Total</b>	<b>56.246.535</b>	<b>52.338.301</b>

**5.6 Loans granted to subsidiaries and associates**

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	633	24.481
Indirect loans granted to subsidiaries and associates	--	--
<b>Total</b>	<b>633</b>	<b>24.481</b>

**5.7 Specific provisions for loans**

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	64.108	38.038
Loans and Receivables with Doubtful Collectability	196.918	222.638
Uncollectible Loans and Receivables	1.162.760	910.935
<b>Total</b>	<b>1.423.786</b>	<b>1.171.611</b>

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**5.8 Information on non-performing loans (Net)**

**5.8.1 Information on loans under follow-up, loans and other receivables those are restructured /rescheduled**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>	<b>16.273</b>	<b>18.432</b>	<b>42.354</b>
(Gross Amounts Before Specific Reserves)			
Restructured Loans and Other Receivables	--	--	--
Rescheduled Loans and Other Receivables	16.273	18.432	42.354
<b>Prior Period</b>	<b>1.354</b>	<b>6.888</b>	<b>22.814</b>
(Gross Amounts Before Specific Reserves)			
Restructured Loans and Other Receivables	--	--	--
Rescheduled Loans and Other Receivables	1.354	6.888	22.814

**5.8.2 Movement of non-performing loans**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Balances at Beginning of Period</b>	<b>170.508</b>	<b>387.686</b>	<b>1.051.899</b>
Additions (+)	461.354	57.363	43.748
Transfers from Other Categories of Non-Performing Loans (+)	--	316.874	328.940
Transfers from Other Categories of Non-Performing Loans (-)	316.874	328.940	--
Collections (-)	50.845	55.338	109.130
Write-offs (-)	--	--	--
Corporate and Commercial Loans	--	--	--
Retail Loans	--	--	--
Credit Cards	--	--	--
Other	--	--	--
<b>Balances at End of the Period</b>	<b>264.143</b>	<b>377.645</b>	<b>1.315.457</b>
Specific Provisions (-)	64.108	196.918	1.162.760
<b>Net Balance on Balance Sheet</b>	<b>200.035</b>	<b>180.727</b>	<b>152.697</b>

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**5.8.3 Information on non-performing loans and other receivables in foreign currencies**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of the Period End	982	9.256	4.835
Specific Provisions (-)	152	8.430	3.206
<b>Net Balance on Balance Sheet</b>	<b>830</b>	<b>826</b>	<b>1.629</b>
<b>Prior Period</b>			
Balance as of the Period End	6.518	10.728	12.798
Specific Provisions (-)	5.164	8.995	5.042
<b>Net Balance on Balance Sheet</b>	<b>1.354</b>	<b>1.733</b>	<b>7.756</b>

**5.8.4 Information on non-performing loans according to beneficiary group**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>200.035</b>	<b>180.727</b>	<b>152.697</b>
Loans Granted to Real Persons and Legal Entities (Gross)	264.143	375.621	1.315.457
Specific provisions (-)	64.108	194.894	1.162.760
Loans Granted to Real Persons and Legal Entities (Net)	200.035	180.727	152.697
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	2.024	--
Specific provisions (-)	--	2.024	--
Other Loan and Receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	<b>132.470</b>	<b>165.048</b>	<b>140.964</b>
Loans Granted to Real Persons and Legal Entities (Gross)	170.508	385.186	1.051.899
Specific provisions (-)	38.038	220.138	910.935
Loans Granted to Real Persons and Legal Entities (Net)	132.470	165.048	140.964
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	2.500	--
Specific provisions (-)	--	2.500	--
Other Loan and Receivables (Net)	--	--	--

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**6. Information on investment securities held-to-maturity**

**6.1 Information on securities subject to repurchase agreement and given as collateral or blocked**

**6.1.1 Information on securities subject to repurchase agreement**

Held-to-maturity investments subject to repurchase agreement are TL 363.244 (31 December 2013: TL 230.632).

**6.1.2 Information on securities subject to given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	--	--	--	--
Bonds and Similar Marketable Securities	469.066	268.950	449.309	259.937
Other	--	--	--	--
<b>Total</b>	<b>469.066</b>	<b>268.950</b>	<b>449.309</b>	<b>259.937</b>

**6.2 Information on government securities held-to-maturity**

	Current Period	Prior Period
Government Bonds	3.022.685	2.521.394
Treasury Bills	--	--
Other Government Debt Securities	--	--
<b>Total</b>	<b>3.022.685</b>	<b>2.521.394</b>

**6.3 Information on investment securities held-to-maturity**

	Current Period	Prior Period
<b>Debt Securities</b>	<b>3.075.879</b>	<b>2.573.094</b>
Quoted on Stock Exchange	3.070.262	2.537.703
Unquoted on Stock Exchange	5.617	35.391
<b>Impairment (-)</b>	<b>2.908</b>	<b>1.632</b>
<b>Total</b>	<b>3.072.971</b>	<b>2.571.462</b>

**6.4 Information on the movement of investment securities held-to-maturity during the period**

	Current Period	Prior Period
<b>Balance at the beginning of the period</b>	<b>2.571.462</b>	<b>258.810</b>
Foreign exchange differences (*)	94.581	81.674
Purchases(**)	409.836	2.375.602
Disposals/Redemptions	--	(142.992)
<b>Impairment losses (-)</b>	<b>2.908</b>	<b>1.632</b>
<b>Total</b>	<b>3.072.971</b>	<b>2.571.462</b>

(\*) Accruals of investment securities held-to-maturity are included in "foreign exchange differences".

(\*\*) Reclassified securities are included in "Purchases".

The Parent Bank transferred a portion of its securities from "investment securities available-for-sale" portfolio, as of reclassification date with a new cost is amounting to TL 2.645.113 and US Dollar 136.323, to the "investment securities held-to-maturity" portfolio due to change in the intention of holding dating 23 July, 24 July, 26 December 2013 and 24 January 2014. The negative valuation differences amounting to TL 232.397 followed under equity until the date of classification will be amortized with effective interest method and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the remaining negative valuation difference under equity is TL 226.804.

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**7. Investments in associates**

**7.1 Investments in unconsolidated associates**

Title	Address (City/Country)	The Parent Bank's share percentage (%)	The Parent Bank's risk group share percentage (%)
1-Kredi Kayıt Bürosu A.Ş. (*)	Istanbul/Turkey	9	--
2-Kredi Garanti Fonu A.Ş. (**)	Ankara/Turkey	2	--
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. (**)	İzmir/Turkey	10	--

  

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	104.071	79.179	51.801	916	--	9.274	5.364	--
2	282.170	278.200	2.907	6.716	--	6.055	5.292	--
3	10.283	10.184	8.758	15.482	--	(638)	(875)	--

(\*) Information on the financial statements is presented as of the period ended 31 March 2014.

(\*\*) Information on the financial statements is presented as of the period ended 30 June 2014.

**7.2 Investments in consolidated associates**

There are no investments in consolidated associates.

**8. Investments in subsidiaries**

**8.1 Information on capital adequacies of major subsidiaries**

The parent Bank does not need any capital requirement due to its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio.

Amounts at below prepared within the scope of regulations depended by Denizbank AG and they are obtained from financial datas of 30 June 2014.

Paid-in capital	463.171
Share Premium	674.124
Reserves	873.626
Goodwill or other intangible assets and deferred tax liability related to these items (-)	463
<b>Total Common Equity</b>	<b>2.010.458</b>
Total Additional Tier I Capital	--
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	1.850
<b>Total Core Capital</b>	<b>2.008.608</b>
Total Supplementary Capital	--
<b>CAPITAL</b>	<b>2.008.608</b>
Deductions from capital (-)	--
<b>SHAREHOLDERS' EQUITY</b>	<b>2.008.608</b>

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**8.2 Information on non-consolidated subsidiaries**

Title	Address (City/Country)	The Parent Bank's share percentage-If different voting percentage (%)	The Parent Bank's risk group share percentage (%)
1-Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	İstanbul/Turkey	100	--
2-Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	İstanbul/Turkey	100	--
3-Deniz Kartlı Ödeme Sistemleri A.Ş.	İstanbul/Turkey	--	100
4-Açık Deniz Radyo ve Televizyon İletişim Yayıncılık ve Sanayi A.Ş.	İstanbul/Turkey	--	100

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value	Capital requirement
1	23.735	3.521	2.922	260	--	326	349	--	--
2	1.320	1.270	--	--	--	(35)	(33)	--	--
3	253	247	--	9	--	(11)	(4)	--	--
4	281	277	--	--	--	3	(6)	--	--

Information on the financial statements is presented as of the period ended 30 June 2014, subsidiaries above are not included in consolidation because they are nonfinancial partnerships.

**8.3 Information on consolidated subsidiaries**

Title	Address (City/Country)	The Parent Bank's share percentage (%)	Other shareholders' share percentage (%)(*)	Consolidation Method
1 Denizbank AG	Vienna / Austria	100	--	Full consolidation
2 Eurodeniz International Banking Unit Ltd.	Nicosia / Cyprus	100	--	Full consolidation
3 Deniz Yatırım Menkul Kıymetler A.Ş.	İstanbul / Turkey	100	--	Full consolidation
4 Ekspres Menkul Değerler A.Ş.	İstanbul / Turkey	71	29	Full consolidation
5 CJSC Denizbank Moskova	Moscow / Russia	49	51	Full consolidation
6 Deniz Portföy Yönetimi A.Ş.	İstanbul / Turkey	--	100	Full consolidation
7 Deniz Finansal Kiralama A.Ş.	İstanbul / Turkey	84	16	Full consolidation
8 Deniz Faktoring A.Ş.	İstanbul / Turkey	100	--	Full consolidation
9 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	--	91	Full consolidation
10 Destek Varlık Yönetim A.Ş.	İstanbul / Turkey	--	100	Full consolidation

(\*) Presenting risk group of Bank's share percentage.

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	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value	Capital requirement
1	20.220.809	2.051.270	17.765	440.256	58.331	186.489	97.176	--	--
2	736.251	12.454	93	28.451	--	410	1.706	--	--
3	203.118	187.356	842	2.168	31	1.457	3.054	--	--
4	13.796	12.697	2.502	603	462	(178)	219	--	--
5	863.037	161.840	3.860	24.087	7.183	13.566	11.373	--	--
6	5.751	4.425	48	177	3	(34)	695	--	--
7	2.031.144	457.467	12.797	80.735	--	32.342	23.125	--	--
8	1.741.957	188.771	2.102	95.511	--	26.466	31.632	--	--
9	171.653	170.817	534	533	(30)	9.374	(16.238)	--	--
10	48.988	8.866	34	1.088	--	(630)	--	--	--

Information on the financial statements is presented as of the period ended 30 June 2014.

**8.3.1 Movement of consolidated subsidiaries**

	Current Period	Prior Period
Balance at the Beginning of the Period	1.881.827	1.133.681
Movements during the Period	72.232	748.146
Purchases (*)	95.000	646.056
Bonus Shares Received	--	--
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	(22.768)	102.090
Other	--	--
Allowance for impairment	--	--
Balance at the End of the Period	1.954.059	1.881.827
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

(\*) Explanations about year in purchasing are on Part III - Food Note III.

**8.3.2 Sectorial information on the consolidated subsidiaries and the related carrying amounts**

	Current Period	Prior Period
Banks	1.144.549	1.143.965
Insurance Companies	--	--
Factoring Companies	138.107	138.107
Leasing Companies	303.929	303.929
Finance Companies	9.999	9.999
Other Subsidiaries	357.475	285.827
<b>Total</b>	<b>1.954.059</b>	<b>1.881.827</b>

Balances of the consolidated subsidiaries above have been eliminated in the accompanying financial statements.

**8.3.3 Quoted subsidiaries within the consolidation scope**

	Current Period	Prior Period
Quoted on domestic markets	119.255	101.942
Quoted on foreign markets	--	--

**8.3.4 Consolidated subsidiaries disposed during the current period**

None.



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**8.3.5 Consolidated subsidiaries acquired during the current period**

None.

**9. Entities Under Common Control (Joint Ventures)**

**9.1 Entities Under Common Control (Joint Ventures)**

Title	The Parent Bank's share percentage (%)	The Group's share percentage (%)	Current Assets	Non-Current Assets	Non-Current Liabilities	Income	Expenses
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	12.890	9.267	--	30.557	(30.877)

Information on the unreviewed financial statements is presented as of the period ended 30 June 2014.

**9.2 Reasons of being non-consolidated for non-consolidated entities under common control (Joint Ventures) and methods of recognition of entities under common control (Joint Ventures) in the Parent Bank's unconsolidated financial statements**

The Parent Bank, although represents Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş") with 33% of ownership rate as entities under common control in its financial statements, it was not consolidated due to be nonfinancial entity. Carry out with its cost value due to unformed necessary conditions.

**10. Information on receivables from leasing activities**

**10.1 Maturity analysis of finance lease receivables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	107.856	103.022	97.614	93.832
Between 1-4 years	1.232.245	1.086.410	1.210.334	1.070.717
Over 4 years	894.309	688.856	800.911	618.907
<b>Total</b>	<b>2.234.410</b>	<b>1.878.288</b>	<b>2.108.859</b>	<b>1.783.456</b>

**10.2 Information on net investments in finance lease receivables**

	Current Period	Prior Period
Gross finance lease receivable	2.234.410	2.108.859
Unearned finance income (-)	356.122	325.403
Cancelled leasing agreements (-)	--	--
<b>Net investment on finance leases</b>	<b>1.878.288</b>	<b>1.783.456</b>

**10.3 Information on operating lease activities**

Deniz Finansal Kiralama A.Ş. started to operating lease activities on June 2014

**11. Information on hedging purpose derivatives**

The Parent Bank stopped applying cash flow hedge accounting arising from the fluctuations in the interest rate and in which the hedging instrument was interest rate swaps and the hedged item was deposit, on 31 May 2013. Consequently, derivatives financial instruments which were previously in “hedging purpose derivatives assets/liabilities” because of being risk hedging instruments are classified in “financial assets/liabilities held for trading” lines. Negative differences amounting to TL (18.657) which were cumulated until the transfer date in “hedging funds” account under equity will be transferred to statement of income until the maturities of related derivative instruments. As of the balance sheet date, net negative valuation difference under equity after deferred tax is amounting to TL (11.431).

**12. Information on investment property**

Investment properties are properties held by Deniz GYO for the basic purpose of making lease profit.

As of 30 June 2014, the Group has investment property is amounting to TL 126.857 (31 December 2013: TL 119.573) which carried from it's fair value on the Group's Financial Statements.

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**13. Information on deferred tax asset**

Deferred tax asset calculated on the basis of related regulation is TL 106.235 (31 December 2013: TL 127.705) and deferred tax liability is TL 10.969 (31 December 2013: TL 2.991). These balances are the net of deductible and taxable temporary differences calculated as of the balance sheet date.

The following table presents the deferred tax bases:

	Current Period	Prior Period
<b>Deferred Tax Assets:</b>		
Unearned Income	40.171	39.871
Miscellaneous Provisions	34.690	38.235
Valuation Differences of Financial Assets	30.737	1.343
Provision for Employee Benefits	19.704	17.058
Financial Loss	2.343	92.149
Other	--	18.559
	<b>127.645</b>	<b>207.215</b>
<b>Deferred Tax Liabilities:</b>		
Valuation Differences of Derivatives	(23.683)	(66.191)
Valuation Differences of Tangible Assets	(7.139)	(9.481)
Other	(1.557)	(6.829)
	<b>(32.379)</b>	<b>(82.501)</b>
<b>Net Deferred Tax Assets</b>	<b>95.266</b>	<b>124.714</b>

**14. Information on property and equipment held for sale and related to discontinued operations**

None.

**15. Information on other assets**

**15.1 Information on prepaid expense, taxes and similar items**

DFS Group's total prepaid expenses are TL 307.494 (31 December 2013: TL 197.712).

**15.2 Other assets do not exceed 10% of total assets excluding the off-balance sheet items.**

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## II. Explanations and disclosures related to consolidated liabilities

### 1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.185.019	--	1.738.204	10.753.638	435.366	215.740	314.827	27.004	14.669.798
Foreign Currency Deposits	7.966.344	--	2.889.953	5.324.463	643.085	3.337.951	10.476.384	723	30.638.903
Residents in Turkey	4.402.820	--	2.607.677	4.935.404	290.795	727.558	600.099	647	13.565.000
Residents Abroad	3.563.524	--	282.276	389.059	352.290	2.610.393	9.876.285	76	17.073.903
Public Sector Deposits	686.924	--	1.970	92.173	591	8.849	550	--	791.057
Commercial Deposits	1.457.898	--	1.473.288	2.157.898	190.214	43.616	192.768	--	5.515.682
Other Ins. Deposits	65.199	--	76.489	430.935	95.774	9.295	13.399	--	691.091
Precious Metal Deposits	185.288	--	49.845	176.200	20.025	17.453	5.522	1.410	455.743
Bank Deposits	322.198	--	268.592	149.944	604.917	1.592.871	14.351	--	2.952.873
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	27.511	--	534	13.567	6.036	11.348	14.351	--	73.347
Foreign Banks	73.964	--	268.058	136.377	598.881	1.581.523	--	--	2.658.803
Special Finan. Inst.	220.723	--	--	--	--	--	--	--	220.723
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>11.868.870</b>	<b>--</b>	<b>6.498.341</b>	<b>19.085.251</b>	<b>1.989.972</b>	<b>5.225.775</b>	<b>11.017.801</b>	<b>29.137</b>	<b>55.715.147</b>

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.124.424	--	1.665.078	9.863.484	335.145	97.032	647.602	24.743	13.757.508
Foreign Currency Deposits	7.353.092	--	2.322.550	5.851.064	742.818	2.528.385	8.699.958	595	27.498.462
Residents in Turkey	4.077.175	--	2.182.216	5.512.257	475.757	340.701	546.520	535	13.135.161
Residents Abroad	3.275.917	--	140.334	338.807	267.061	2.187.684	8.153.438	60	14.363.301
Public Sector Deposits	286.716	--	6.384	24.361	5.915	26.928	1.109	--	351.413
Commercial Deposits	1.542.628	--	1.902.055	2.788.081	177.283	64.892	245.418	--	6.720.357
Other Ins. Deposits	58.442	--	124.962	596.821	2.454	19.232	13.465	--	815.376
Precious Metal Deposits	245.654	--	53.113	214.809	14.826	12.252	17.513	1.011	559.178
Bank Deposits	266.324	--	396.340	411.813	807.465	11.918	860.376	--	2.754.236
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	3.388	--	8.096	85.698	--	3.110	4.148	--	104.440
Foreign Banks	51.444	--	388.244	326.115	807.465	8.808	856.228	--	2.438.304
Special Finan. Inst.	211.492	--	--	--	--	--	--	--	211.492
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>10.877.280</b>	<b>--</b>	<b>6.470.482</b>	<b>19.750.433</b>	<b>2.085.906</b>	<b>2.760.639</b>	<b>10.485.441</b>	<b>26.349</b>	<b>52.456.530</b>

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**1.1 Information on saving deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit**

	Covered by Deposits Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	6.378.331	5.839.043	8.047.420	7.626.306
Foreign Currency Saving Deposits	1.636.488	1.510.632	4.473.799	4.718.181
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
<b>Total</b>	<b>8.014.819</b>	<b>7.349.675</b>	<b>12.521.219</b>	<b>12.344.487</b>

**1.2** Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.

**1.3 Saving deposits that are not under the guarantee of deposit insurance fund**

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	115.955	226.856
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	--	--
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	43.200	33.115
Deposits and Other Accounts linked to Crimes Mentioned in 282nd Article of 5237 Numbered Turkish Penal Code dated on 26/09/2004	--	--
Deposits belong to Off-Shore Banks who are established in Turkey	76.240	64.666
<b>Total</b>	<b>235.395</b>	<b>324.637</b>

**2. Information on trading purpose derivatives**

**2.1 Negative value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	4.388	10.962	30.017	5.500
Swap Transactions	178.138	201.195	231.927	57.830
Futures Transactions	--	--	--	--
Options	3.006	47.902	1.129	128.423
Other	--	--	--	--
<b>Total</b>	<b>185.532</b>	<b>260.059</b>	<b>263.073</b>	<b>191.753</b>

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**3. Information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	--	--	--	--
Domestic Bank and Institutions	778.326	431.954	1.160.849	321.599
Foreign Bank, Institutions and Funds	1.605.166	8.925.553	1.247.821	8.254.557
<b>Total</b>	<b>2.383.492</b>	<b>9.357.507</b>	<b>2.408.670</b>	<b>8.576.156</b>

The Parent Bank has repaid the syndication loans matured on 14 November 2013 amounting to Euro 392,5 million and US Dollar 221 million and procured on 21 November 2013, under the coordination of Sberbank, Standard Chartered and Wells Fargo and with the participation of 47 banks from 23 countries in the international markets, syndication loans with a maturity of 1 year and a total cost of Libor/Euribor + 0,75% consisting of two different segments amounting to US Dollar 328 million and Euro 503 million.

The Parent Bank made an early repayment amounting to US Dollar 87,5 million for "2007 B" and "2007 C" series securitization loan with the maturity of 15 June 2015 and the process has been completed on 16 June 2014.

The Parent Bank obtained a securitization loan against remittance flows, amounting to total of Euro 264 million with 5-8 years maturity from a consortium of 5 banks coordinated by Standard Chartered Bank, HSBC Bank Plc and Sberbank Europe AG and participated by EIB and EBRD on 10 June 2014.

The Parent Bank obtained a securitization loan against remittance flows, amounting to US Dollar 50 million with 5 years maturity from Wells Fargo Bank, N.A. on 17 June 2014.

In accordance with the resolution of the Board of Directors dated 6 April 2011 and numbered 2011/17, the Parent Bank obtained a securitization loan amounting to Euro 300 million via a special purpose entity (SPE) from a consortium of lenders led by West LB and participated by EBRD, EIB, IFC and DEG on 27 April 2011. As of 30 June 2014, the outstanding balance of the loan is Euro 238,4 million. Securitization consists of five different loans having 2-3 years final maturity and 5-12 years grace period for the principal payment.

**3.1 Maturity information of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1.760.968	5.354.858	1.775.888	5.408.560
Medium and Long-Term	622.524	4.002.649	632.782	3.167.596
<b>Total</b>	<b>2.383.492</b>	<b>9.357.507</b>	<b>2.408.670</b>	<b>8.576.156</b>

**4. Information on securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	223.418	--	195.349	--
Bills	1.356.827	--	857.025	--
Asset Backed Security	567.575	--	567.759	--
<b>Total</b>	<b>2.147.820</b>	<b>--</b>	<b>1.620.133</b>	<b>--</b>

Nominal value of TL 134.639 (31 December 2013: TL 108.580) of the securities issued were repurchased by the Parent Bank and offset in the financial statements.

5. If other liabilities line of the balance sheet exceeds 10% of the balance sheet total; excluding the off balance sheet commitments; information on components making up at least 20% of the other liabilities

Other liabilities do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

6. Information on lease payables

None. (31 December 2013: None).

- 6.1 *Changes in agreements and further commitments arising*

None. (31 December 2013: None).

- 6.2 *Obligations under finance leases*

None.

- 6.3 *Information on operational leases*

DFS Group has operational lease agreements for its bank branches, motor vehicles and ATM locations. Rental payments for the majority of these agreements are made and expensed on a monthly basis. The unexpired portion of prepayments made for rent agreements on a yearly basis are accounted for under prepaid expenses in "other assets".

- 6.4 *Information on "Sell-and-lease back" agreements*

There is no sale and lease back transactions in the current period.

7. Information on liabilities arising from hedging purpose derivatives

None. (31 December 2013-None).

8. Information on provisions

- 8.1 *Information on general provisions*

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	532.089	543.011
Additional Provision for Loans with Extended Maturities	21.361	4.508
Provisions for Loans and Receivables in Group II	116.202	99.648
Additional Provision for Loans with Extended Maturities	65.989	52.492
Provisions for Non Cash Loans	61.497	57.715
Other	--	--
<b>Total</b>	<b>709.788</b>	<b>700.374</b>

## 8.2 *Provision for currency exchange gain/loss on foreign currency indexed loans*

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans	18.439	244

Foreign exchange differences of foreign currency indexed loans are offset against "Loans and receivables" in assets.

## 8.3 *Information on provision for employee benefits*

TAS 19 required to using the actuarial methods for calculation of operating obligations.

Accordingly, the following actuarial assumptions were used in the calculation of the total reserve for employment termination benefits.

	Current Period	Prior Period
Discount rate	4,52%	4,52%
Interest Rate	9,75%	9,75%
Expected rate of salary/limit increase	5,00%	5,00%

As of 30 June 2014, TL 62.516 of provision for employment termination benefits (31 December 2013: TL 56.281) and TL 39.331 of unused vacation accruals (31 December 2013: TL 31.964) were reflected to the consolidated financial statements.

Movement of retirement pays liability during the period;

	Current Period	Prior Period
Balance at the Beginning of the Period	56.281	47.348
Changes in the period	10.860	11.027
Actuarial loss/gain	--	2.139
Paid in the period	(4.610)	(4.455)
FX difference	(15)	222
Balance at the End of the Period	62.516	56.281

## 8.4 *Information on other provisions*

### 8.4.1 *Information on free provisions provided for probable risks*

	Current Period	Prior Period
Free Provisions Provided for Probable Risks	45.963	64.343

Free provisions for probable risks were included other provisions related to the loan portfolio.

### 8.4.2 *Information on other provisions exceeding 10% of total provisions*

TL 96.014 (31 December 2013: TL 113.594) of other provisions consists of provisions for non-cash loans that are not indemnified and converted into cash. TL 26.546 (31 December 2013: TL 19.085) consists of provisions for lawsuits pending against DFS Group and TL 766 (31 December 2013: TL 17.055) consists of other provisions.



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**9. Information on taxation**

**9.1 Information on current taxes**

**9.1.1 Information on current tax liability**

As of 30 June 2014, the corporate tax provision of DFS Group is TL 137.964 (31 December 2013: TL 135.388), and it has been offset with advance taxes amounting to TL 46.604 (31 December 2013: TL 122.915).

**9.1.2 Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	91.360	12.473
Taxation on securities	32.934	28.806
Capital gains taxes on property	1.975	1.822
Banking Insurance Transaction Tax (BITT)	29.820	31.756
Taxes on foreign exchange transactions	--	--
Value added taxes payable	1.382	2.256
Other	12.984	34.876
<b>Total</b>	<b>170.455</b>	<b>111.989</b>

**9.1.3 Information on premiums**

	Current Period	Prior Period
Social security premiums- employee share	6.958	6.324
Social security premiums- employer share	7.501	6.857
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	144	203
Pension fund membership fees and provisions- employer share	176	250
Unemployment insurance- employee share	494	451
Unemployment insurance- employer share	954	873
Other	3.517	11.844
<b>Total</b>	<b>19.744</b>	<b>26.802</b>

**9.2 Information on deferred tax liabilities**

Deferred tax liability calculated on the basis of related regulation is TL 10.969 (31 December 2013: TL 2.991). Information on deferred taxes is disclosed in footnote 13 of "explanations and disclosures related to consolidated assets".

**10. Information on shareholders' equity**

**10.1 Paid-in capital**

	Current Period	Prior Period
Common Stock	716.100	716.100
Preferred Stock	--	--

The Parent Bank's paid-in capital is presented above in nominal values. As of 30 June 2014, the Parent Bank has "other capital reserves" amounting to TL 189.164 (31 December 2013: TL 189.164) arising from the effect of inflation restatement of the paid-in capital.

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**10.2** *Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital*

Registered paid-in capital system is not applied.

**10.3** *Information on share capital increases and their sources; other information on any increase in capital shares during the current period*

None.

**10.4** *Information on share capital increases from revaluation funds*

None.

**10.5** *Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments*

The capital is totally paid in and there are no capital commitments.

**10.6** *Prior period indicators of the Parent Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering uncertainty indicators*

Balance sheets of the entities under DFS Group are managed prudently, to minimize the negative effects of interest rate, foreign currency and credit risks. This policy contributes to the progress of DFS Group's profitability with a steady increasing trend.

**10.7** *Information on the privileges given to stocks representing the capital*

The Parent Bank does not have any preferred stocks.

**10.8** *Common stock issue premiums, shares and equity instruments*

	Current Period	Prior Period
Number of Shares (*)	50.368.526	50.368.526
Preferred Stock	--	--
Common Stock Issue Premium (**)	98.411	98.411
Common Stock Cancellation Profits	--	--
Other Equity Instruments	--	--
Total Common Stock Issued (*)	50.369	50.369

(\*) Related to the Bank's paid-in capital increase on 27 September 2004. At that date, the paid-in capital was increased from TL 202.000 to TL 290.000; and TL 50.369 of this TL 88.000 increase was received in cash through issuance of new shares to the public.

(\*\*) The share price for the above mentioned public issuance was "twothousandeighthundredandseventyfive" Turkish Liras and a total issuance premium of TL 94.440 was realized. The inflation restatement effect of TL 3.911 was also recognized over the original balance until December 2004. A total issuance premium of TL 60 was realized through the Bank's paid-in capital increase amounting TL 400.000 on 28 August 2008.

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**10.9 Securities Revaluation Reserve**

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	--	--	--	--
Valuation and FX Difference	(218.040)	(2.784)	(306.897)	(43.618)
<b>Total</b>	<b>(218.040)</b>	<b>(2.784)</b>	<b>(306.897)</b>	<b>(43.618)</b>

**10.10 Information on hedging funds**

**10.10.1 Information on cash flow hedge items**

The Parent Bank stopped applying cash flow hedge accounting arising from the fluctuations in the interest rate and in which the hedging instrument was interest rate swaps and the hedged item was deposit, on 31 May 2013. Consequently, derivatives financial instruments which were previously in "hedging purpose derivatives assets/liabilities" because of being risk hedging instruments are classified in "financial assets/liabilities held for trading" lines. Negative differences amounting to TL (18.657) which were cumulated until the transfer date in "hedging funds" account under equity will be transferred to statement of income until the maturities of related derivative instruments. As of the balance sheet date, net negative valuation difference under equity is amounting to TL (11.431).

**10.10.2 Information on hedging foreign net investment risk**

DFH Group applies net investment hedge strategy to hedge against the currency risk arising on a consolidated basis from the net investments amounting to a total of Euro 637,9 million and US Dollar 5,7 million of subsidiaries Denizbank AG and Eurodeniz. The part consisting of the same amounts of its foreign currency deposit has been defined as "hedging instrument".

On the other hand, as of 1 April 2014 the Parent Bank stopped applying net investment hedge accounting due to its net investment amounting to USD 83,0 million to hedge against the currency risk on the subsidiary of CJSC Denizbank, and the total hedging fund which is booked under equity for such subsidiary is amounting to TL (58.164).

The effective part of the change in value of the foreign currency deposit arising from foreign currency within this scope has been recognized in the account of "hedging funds" under equity is amounting to TL 388.306 as of June 2014 (December 31, 2013: TL 409.538).

**11. Information on minority shares**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>37.292</b>	<b>15.764</b>
Minority interest in net income of consolidated subsidiaries	811	(145)
Increase/(decrease) in minority interest due to disposals	--	--
Other (*)	(32.156)	21.673
<b>Balance at the End of the Period</b>	<b>5.947</b>	<b>37.292</b>

(\*)Portion of Deniz Yatırım on Deniz GYO shares reach to 91,38% from 86,76% due to BIST mandatory tender offer on 23 January 2014.

**12. Information on revaluation differences of tangible assets**

Revaluation difference of tangible assets amounting to TL 306.054 include the gains on sale of Deniz Emeklilik ve Hayat A.Ş. and Deniz Türev Menkul Değerler A.Ş. amounting to TL 305.198 and the gain on sale of real estate for the remaining amount of TL 856, which are placed to the related reserve account under shareholders' equity with the exemption from corporate tax according to 5/1-e clause of Corporate Tax Law, (31 December 2013: TL 306.054).

### **III. Explanations and disclosures related to consolidated off-balance sheet items**

#### **1. Information related to off-balance sheet commitments**

##### **1.1 Type and amount of irrevocable commitments**

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 30 June 2014, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 19.194.910, TL 8.147.017 and TL 1.628.808, respectively (31 December 2013: TL 18.415.516, TL 7.731.311 and TL 1.415.524, respectively). These items are detailed in the off-balance sheet accounts.

##### **1.2 Type and amount of possible losses from off-balance sheet items referred to below**

###### **1.2.1 Guarantees, bills of exchange and acceptances and other letters of credit which can be considered as financial collateral**

As of 30 June 2014, DFS Group has letters of guarantee amounting to TL 14.696.253, bills of exchange and acceptances amounting to TL 145.700, and guarantees and sureties on letters of credit amounting to TL 2.871.406. There are also other guarantees and sureties amounting to TL 1.481.551.

As of 31 December 2013 DFS Group has letters of guarantee amounting to TL 13.866.124, bills of exchange and acceptances amounting to TL 139.482, and guarantees and sureties on letter of credit amounting to TL 2.696.140. There are also other guarantees and sureties amounting to TL 1.713.770.

###### **1.2.2 Final guarantees, provisional guarantees, sureties and similar transactions**

	Current Period	Prior Period
Provisional Letters of Guarantee	1.015.796	969.666
Final Letters of Guarantee	10.482.433	9.961.504
Letters of Guarantee for Advances	2.238.356	2.075.062
Letters of Guarantee given to Customs Offices	209.478	249.616
Other Letters of Guarantee	750.190	610.276
<b>Total</b>	<b>14.696.253</b>	<b>13.866.124</b>

#### **2. Total amount of non-cash loans**

	Current Period	Prior Period
Non-Cash Loans Given for Obtaining Cash Loans	2.455.366	1.991.081
With Original Maturity of 1 Year or Less	2.307.410	1.914.317
With Original Maturity of More Than 1 Year	147.956	76.764
Other Non-Cash Loans	16.739.544	16.424.435
<b>Total</b>	<b>19.194.910</b>	<b>18.415.516</b>

#### IV. Explanations and disclosures related to consolidated statement of income

##### 1. Interest income

###### 1.1 Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term Loans	942.247	48.768	737.565	45.006
Medium and Long Term Loans	1.201.472	610.307	941.711	401.517
Loans Under Follow-Up	26.299	--	36.474	--
Premiums Received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>2.170.018</b>	<b>659.075</b>	<b>1.715.750</b>	<b>446.523</b>

Interest income received from loans also includes fees and commissions from cash loans granted.

###### 1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	--	--	--	--
Domestic Banks	18.528	3.918	1.067	2.423
Foreign Banks	871	1.268	404	742
Foreign Head Offices and Branches	--	--	--	--
<b>Total</b>	<b>19.399</b>	<b>5.186</b>	<b>1.471</b>	<b>3.165</b>

###### 1.3 Information on interest income received from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	16.273	625	68.373	148
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Investment Securities Available-for-Sale	180.856	28.321	255.643	29.364
Investment Securities Held-to-Maturity	156.313	9.560	13.017	1.448
<b>Total</b>	<b>353.442</b>	<b>38.506</b>	<b>337.033</b>	<b>30.960</b>

###### 1.4 Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	178	5.590

##### 2. Interest expense

###### 2.1 Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>116.199</b>	<b>163.868</b>	<b>62.787</b>	<b>78.249</b>
Central Bank of the Republic of Turkey	21	--	18	--
Domestic Banks	39.954	4.316	19.817	2.477
Foreign Banks	76.224	159.552	42.952	75.772
Foreign Head Offices and Branches	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>116.199</b>	<b>163.868</b>	<b>62.787</b>	<b>78.249</b>

Interest expense related to funds borrowed also includes fees and commission expenses.

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**2.2 Information on interest expense paid to associates and subsidiaries**

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	680	680

**2.3 Information on interest expense paid to securities issued**

	Current Period	Prior Period
Interest Paid to Securities Issued	88.829	40.657

**2.4 Maturity structure of the interest expense on deposits**

	Time Deposits							
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 Year	Cumulative Deposit	Total
TL								
Bank Deposits	45	7.038	--	--	--	--	--	7.083
Saving Deposits	15	75.188	541.308	16.002	5.938	14.676	850	653.977
Public Sector Deposits	--	506	1.959	104	979	33	--	3.581
Commercial Deposits	1	96.819	134.838	5.198	2.547	4.142	--	243.545
Other Deposits	--	3.126	24.483	715	848	9	--	29.181
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--
Total	61	182.677	702.588	22.019	10.312	18.860	850	937.367
FC								
Foreign Currency Deposits	1.218	204.468	92.740	5.193	7.150	346	6.017	317.132
Bank Deposits	337	2.648	--	--	--	--	--	2.985
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	3.563	1.400	1.704	3.498	182	11	10.358
Total Foreign Currency	1.555	210.679	94.140	6.897	10.648	528	6.028	330.475
Total	1.616	393.356	796.728	28.916	20.960	19.388	6.878	1.267.842

**3. Information on trading income / loss**

	Current Period	Prior Period
<b>Income</b>	<b>78.306.448</b>	<b>12.709.176</b>
Capital Market Transactions	99.674	441.782
Derivative Financial Instruments	2.045.482	1.456.111
Foreign Exchange Gains	76.161.292	10.811.283
<b>Loss (-)</b>	<b>78.586.939</b>	<b>12.504.459</b>
Capital Market Transactions	45.014	281.937
Derivative Financial Instruments	2.570.733	1.084.585
Foreign Exchange Losses	75.971.192	11.137.937
<b>Net Trading Income / Loss</b>	<b>(280.491)</b>	<b>204.717</b>

Net loss from foreign exchange translation differences related to derivative financial instruments is TL 37.616 (net loss for the period 1 January - 30 June 2013: TL 126.036).

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**4. Information on other operating income**

	Current Period	Prior Period
Reversal of prior periods' provisions	188.980	123.683
Sale revenue for Real estate properties to be sold	13.167	1.806
Communication income	6.554	5.713
Cheque book fees	2.552	1.916
Other	97.214	32.926
<b>Total</b>	<b>308.467</b>	<b>166.044</b>

**5. Impairment on loans and other receivables**

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	370.827	410.145
<i>Loans and Receivables in Group III</i>	90.365	95.960
<i>Loans and Receivables in Group IV</i>	124.374	92.069
<i>Loans and Receivables in Group V</i>	156.088	222.116
Non-performing Commissions and Other Receivables	--	--
General Loan Loss Provisions	9.414	104.495
Free Provision for Probable Risks	--	14.663
Impairment Losses on Securities	3.821	8.301
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	4.434
<i>Investment Securities Available-for-Sale</i>	3.821	3.867
Impairment Losses on Associates, Subsidiaries, Joint Ventures and Investment Securities Held to Maturity	1.281	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment Securities Held-to-Maturity</i>	1.281	--
Other	23.381	30.448
<b>Total</b>	<b>408.724</b>	<b>568.052</b>

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**6. Information related to other operational expenses**

	Current Period	Prior Period
Personnel Expenses	545.080	423.178
Reserve for Employee Termination Benefits	6.358	5.224
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	52.428	45.427
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	33.723	22.852
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	1.111	1.455
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	381.090	309.389
<i>Operational Leases Expenses</i>	97.852	68.938
<i>Repair and Maintenance Expenses</i>	18.057	9.433
<i>Advertisement Expenses</i>	52.053	52.282
<i>Other Expenses (*)</i>	213.128	178.736
Losses on Sale of Assets	618	391
Other	121.748	91.146
<b>Total</b>	<b>1.142.156</b>	<b>899.062</b>

(\*) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance and software fees, stationery, entertainment and representation, heating and lighting, credit card service fee, penalty fine of Competition Authority and others amounting to TL 39.241, TL 24.691, TL 12.438, TL 3.421, TL 9.299, TL 40.391, none and TL 83.646, respectively (1 January - 30 June 2013: TL 33.371 TL 22.996, TL 8.191, TL 3.036, TL 9.911, TL 24.917, TL 17.292 and TL 76.314, respectively).

**7. Information on profit / loss before tax from continuing operations**

As 1 January-30 June 2014, DFS Group has a profit before tax from continuing operations amounting to TL 639.086 (1 January-30 June 2013: TL 815.989).

**8. Information on tax provision for continued and discontinued operations**

**8.1 Current period taxation benefit or charge and deferred tax benefit or charge**

As 1 January-30 June 2014 the current period taxation charge on continuing operations is TL 139.129 (1 January-30 June 2013: TL 55.711) while deferred tax benefit is TL 6.016 (1 January-30 June 2013: TL 125.651 deferred tax charge).

There are not current period taxation charge on discontinuing operations. ( 1 January-30 June 2013: None).

**8.2 Deferred tax benefit / (charge) arising from origination or reversal of temporary differences**

Deferred tax benefit/charge arising from temporary differences	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	92.088	73.677
Arising from Reversal of Deductible Temporary Differences (-)	(108.036)	(144.962)
Arising from Origination of Taxable Temporary Differences (-)	(54.560)	(63.865)
Arising from Reversal of Taxable Temporary Differences (+)	76.524	9.499
<b>Total</b>	<b>6.016</b>	<b>(125.651)</b>



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**8.3 Deferred tax benefit / (charge) arising from temporary differences, tax losses or unused tax credits**

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	73.858	(112.995)
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	21.964	(54.366)
Arising from Origination (+)/ Reversal (-) of Tax Losses	(89.806)	41.710
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
<b>Total</b>	<b>6.016</b>	<b>(125.651)</b>

**9. Information on net profit and loss**

**9.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period**

Income generated from DFS Group's ordinary banking transactions during the current and prior period are mainly consisted of interest income from loans and marketable securities and income from other banking services. Main expense items are the interest expenses related to deposits and borrowings which are the main funding sources of marketable securities and loans.

**9.2 Changes in estimations made by DFS Group with respect to the financial statement items do not have a material effect on profit/loss.**

**9.3 Profit or loss attributable to minority interests**

	Current Period	Prior Period
Profit/(loss) attributable to minority interests	811	(132)

**9.4 No changes have been made in the accounting estimates which may have a material effect in the current period and materially affect subsequent periods.**

**10. If "other" lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items**

Other Fees and Commissions Received	Current Period	Prior Period
Credit card clearing and other commissions	216.605	103.684
Contracted merchant / POS commissions	97.205	90.638
Filing fees	52.362	43.578
Account management fees	49.446	46.679
Intermediary services	32.568	31.677
Insurance services	40.315	31.544
Remittance commissions	15.130	11.771
Expertise fees	6.519	4.530
Other	61.090	56.555
<b>Total</b>	<b>571.240</b>	<b>420.656</b>

Other Fees and Commissions Paid	Current Period	Prior Period
Credit card / POS commissions	105.679	72.228
EFT fees and commissions	3.608	2.574
Other	41.100	42.995
<b>Total</b>	<b>150.387</b>	<b>117.797</b>

**V. Explanations and disclosures related to DFS Group's risk group**

**1. Information on the volume of transactions with the DFS Group's risk group, lending and deposits outstanding at period end and income and expenses in the current period**

**1.1 Information on loans and other receivables to DFS Group's risk group**  
**Current Period**

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	24.507	8.555	920	11.287	47	4
Balance at the End of the Period	831	2.446	8.694	60.846	88	4
Interest and Commission Income Received	180	9	516	34	--	--

**Prior Period**

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	206.861	137	--	--	94	4
Balance at the End of the Period	24.507	8.555	920	11.287	47	4
Interest and Commission Income Received	5.598	7	77	--	--	--

(\*) As described in the Article 49 of Banking Law no.5411.

**1.2 Information on deposits held by and funds borrowed from DFS Group's risk group**

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder(**)		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at the Beginning of the Period	17.699	22.887	2.887.026	335.616	14.650	16.571
Balance at the End of the Period	5.268	17.699	4.084.853	2.887.026	21.157	14.650
Interest and Commission Expenses	703	680	100.221	16.870	518	609

(\*) As described in the Article 49 of Banking Law no.5411.

(\*\*) Includes the subordinated loan obtained from Sberbank amounting to US Dollar 1.050.000.

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**1.3 Information on forward and option agreements and similar agreements made with DFS Group's risk group**

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes:						
Balance at the Beginning of the Period	--	--	292.678	211.068	4.735	--
Balance at the End of the Period	--	--	2.124	292.678	12.766	4.735
Total Income/(Loss)	--	--	(838)	1.268	(409)	95
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/(Loss)	--	--	--	--	--	--

(\*) As described in the Article 49 of Banking Law no.5411.

**1.4 Information on benefit provided to Executives**

DFS Group makes payment amounting to TL 13.496 (30 June 2013: TL 24.397) to its Executives as of 30 June 2014.

**1.5 Information on transactions with DFS Group's risk group**

As of 30 June 2014, cash loans and other receivables of the risk group represent 0,015% of DFS Group's total cash loans and bank deposits granted the deposits and borrowings represent 5,8% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,33% of the total balance.

The risk group, which DFS Group belongs to, has finance and operation lease contracts with Deniz Leasing. The Parent Bank gives brokerage services through its branches for Deniz Yatırım. As part of the consolidation adjustments, these balances and transactions have been eliminated from the accompanying financial statements.

## **SECTION SIX**

### **OTHER DISCLOSURES AND FOOTNOTES**

#### **I. Other explanations related to DFS Group's operations**

##### **1. Explanations related to DFS Group's operations**

The Parent Bank secured a US Dollar 150 million subordinated loan with 10 years maturity at the fixed interest rate of 7,93% for first 5 years and US Dollar IRS rate plus yearly 6,12% fixed interest rate for after first 5 years period from Sberbank of Russia on 30 April 2014. Based on the written approval of BRSA in accordance with accounting standards described in "Regulation on Banks Equity Accounts" the fund was accepted as secondary subordinated loans which recognize in supplementary capital account.

##### **2. Summary information about ratings of the Banks which has been assigned by the international rating agencies**

###### **Moody's (\*)**

Long Term Foreign Currency Deposits	Ba1 / Stable
Short Term Foreign Currency Deposits	Not Prime
Long Term Local Currency Deposits	Ba1 / Stable
Short Term Local Currency Deposits	Not Prime
Bank Financial Strength Rating (BCA)	D-(ba3) / Stable

###### **Fitch Rating's (\*\*)**

Long Term Foreign Currency	BBB- / Negative
Short Term Foreign Currency	F3
Long Term Local Currency	BBB- / Negative
Short Term Local Currency	F3
Viability	bb+
Support	2
National	AA+ (tur) / Negative

(\*) As of 3 June 2014

(\*\*) As of 15 April 2014

##### **3. Subsequent events**

On 31 July 2014, European Union ("EU") has applied sectoral restrictive measures to the Russian Federation, and certain financial institutions, including Sberbank Group (excluding their subsidiaries established in EU countries), have been subjected to these measures. The management of the Bank is currently assessing the scope and the impact of the measures and will provide additional information when there is more clarity on the implications of these measures.

## **SECTION SEVEN**

### **INDEPENDENT AUDITORS' REVIEW REPORT**

#### **I. Information on the independent auditors' review report**

DFS Group's consolidated financial statements and footnotes have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Ernst&Young Global Limited) and the independent auditors' review report dated 7 August 2014 is presented in front of the consolidated financial statements.

#### **II. Disclosures and footnotes prepared by independent auditor**

There are no significant issues and required disclosures and footnotes related to DFS Group's operations, deemed as necessary, which have not been explained in the sections above.